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COPY



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

Regular Meeting—Tuesday, February 4, 1986

at 10:00 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance at Meeting.

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

Absent -- Aldermen Bloom, Vrdolyak, Sheahan, Sherman, Frost, Stone.

Call to Order.

On Tuesday, February 4, 1986 at 12:00 P.M. (the hour appointed for the meeting was 10:00 A.M.) Honorable Harold Washington, Mayor, called the City Council to order. Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Quorum present.

On motion of Alderman Kellam, it was ordered noted in the Journal that Alderman Sheahan was absent due to illness.

Invocation.

Reverend Corneal Davis, Quinn Chapel A.M.E. Church, opened the meeting with prayer.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Referred -- MAYOR'S APPOINTMENT OF MR. WALTER CLARK
AS MEMBER OF CHICAGO TRANSIT BOARD.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

February 4, 1986.

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

LADIES AND GENTLEMEN -- I have appointed Walter Clark as a member of the Chicago Transit Board for the term ending September 1, 1992, to succeed James P. Gallagher.

Your approval of this appointment is respectfully requested.

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

Referred -- WITHDRAWAL OF MAYOR'S APPOINTMENT OF
MR. WALTER CLARK AS CHAIRMAN OF
CHICAGO PLAN COMMISSION.

Honorable Harold Washington, Mayor, submitted the following communication, which was
Referred to the Committee on Zoning:

OFFICE OF THE MAYOR
CITY OF CHICAGO

February 4, 1986.

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

LADIES AND GENTLEMEN -- I hereby withdraw the nomination of Walter Clark as Chairman of the Chicago Plan Commission submitted to you on April 25, 1984.

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

Referred -- COLLECTIVE BARGAINING AGREEMENTS BETWEEN
CITY OF CHICAGO AND VARIOUS UNIONS.

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

February 4, 1986.

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

LADIES AND GENTLEMEN -- I transmit herewith, under separate cover, ordinances ratifying and adopting Collective Bargaining Agreements between the City of Chicago and the following:

Architectural and Ornamental Iron Workers Union, Local 63

Cement Masons' Union, Local 502

Chicago Typographical Union, Local No. 16

Chicago Journeymen Plumbers, Local No. 130, U.A.

Glazier, Architectural Metal and Glass Workers, Local Union No. 27

Hotel Employees and Restaurant Employees, Local No. 1

International Association of Bridge, Structural and Reinforcing Ironworkers,
Local No. 1

International Association of Heat and Frost Insulators and Asbestos Workers,
Local 17

International Association of Machinists and Aerospace Workers,
Local No. 126

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths,
Forgers and Helpers, Local Lodge No. 1

International Brotherhood of Carpenters, Local 112

International Brotherhood of Electrical Workers, Local 9, AFL-CIO

International Brotherhood of Electrical Workers, Local Union No. 134,
AFL-CIO

International Brotherhood of Firemen and Oilers, Local No. 7

International Union of Elevator Constructors, Local 2

International Union of Operating Engineers, Local 150

International Union of Operating Engineers, Local 399

Journeyman Plasterers' Protective and Benevolent Society of Chicago,
Local No. 5

Laborer's International Union of North America

Licensed Tugmen's and Pilots' Protective Association of America,
Local No. 374-2

Marble Setters, Helpers and Polishers Union, Local No. 102

Painters District Council No. 14

Pipe Fitters' Association, Local Union 597

Pointers, Cleaners and Caulkers Union, Local No. 52

Public Safety Employees Bargaining Unit,
which includes the Chicago Crossing Guard Association Local 729, affiliated with
the S.E.I.U., AFL-CIO; Public Service Employees Union Local 46, affiliated with
the S.E.I.U., AFL-CIO; and Local Union 165, affiliated with the I.B.E.W., AFL-CIO

Public Service Employees Union, Local 46, S.E.I.U.

Sheet Metal Workers International Association, Local 73

Sign and Pictorial Painters Union, Local 830

Sprinkler Fitters and Apprentices Union, Local 281

Service Employees International Union, Local 25

State and Municipal Teamsters, Chauffeurs and Helpers Union, Local 726

Technical Engineering Division, Local Union 130, U.A. AFL-CIO

United Order of American Bricklayers and Stone Masons, Local 21

United Union of Roofers, Waterproofers and Allied Workers, Local 11

Window Cleaners Union, Local 34, S.E.I.U.

I urge the City Council to give prompt and favorable consideration to these ordinances so
that these agreements will be in full effect as quickly as possible.

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

CITY COUNCIL COMMITTEE ON FINANCE AUTHORIZED
TO PUBLISH NOTICES OF PUBLIC HEARINGS FOR
PROJECTS UNDER ILLINOIS DEVELOPMENT
ACTION GRANT PROGRAM.

Honorable Harold Washington, Mayor, submitted the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

February 4, 1986.

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

LADIES AND GENTLEMEN -- I transmit herewith a resolution authorizing the City Council Committee on Finance to hold public hearings required under the Illinois Development Action Grant Program.

Your favorable consideration of this resolution will be appreciated.

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

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

On motion of Alderman Burke, the said proposed resolution was *Adopted* by a viva voce vote.

The following is said resolution as adopted:

WHEREAS, The Illinois General Assembly has provided by law for the creation of a program to provide certain grants to municipalities for the development of viable urban communities and the expansion of economic opportunity, which program is commonly known as the "Illinois Development Action Grant Program"; and

WHEREAS, Pursuant to a bill duly passed by the Illinois General Assembly, the Illinois Development Finance Authority has been authorized to administer the terms of such program; and

WHEREAS, The Illinois Development Finance Authority has adopted emergency rules setting forth requirements for applications for funds set aside by the General Assembly; and

WHEREAS, Section 1200.220 of the Emergency Rules adopted on December 18, 1985 provide that prior to application for funds under this program, the application shall be approved by the Corporate Authorities and further, that prior to the adoption of a

resolution authorizing the application, the Corporate Authorities must cause a public hearing to be held on the proposed project with notice to be published 14 calendar days in advance of the hearing date; and

WHEREAS, It is in the best interests of the citizens of the City of Chicago that the Corporate Authorities designate a suitable body to conduct such hearings required under the Emergency Rules; now, therefore,

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

SECTION 1. That pursuant to Section 1200.220 of the Emergency Rules adopted on December 18, 1985, any public hearings required to be held to authorize applications for projects under the Illinois Development Action Grant Program shall be conducted by the City Council Committee on Finance.

SECTION 2. That the City Council Committee on Finance is hereby authorized to publish notice of such hearings as required by the Emergency Rules adopted by the Illinois Development Finance Authority.

EXECUTION OF LOAN AND SECURITY AGREEMENT WITH
CONTINENTAL COMMERCIAL PARTNERS, LIMITED,
FOR PROJECT LOCATED AT 76TH STREET
AND RACINE AVENUE.

Honorable Harold Washington, Mayor, submitted the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

February 4, 1986.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Economic Development, I transmit herewith an ordinance authorizing the Commissioner to enter into and execute on behalf of the City of Chicago a Loan and Security Agreement with Continental Commercial Partners, Ltd. ("Continental") in the amount of \$500,000, to assist Continental in the acquisition and development of property located at 76th Street and Racine Avenue, into a 103,000 square foot shopping center.

Your favorable consideration of this ordinance will be appreciated.

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

Alderman Burke moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the said proposed ordinance. The motion *Prevailed*.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, D. Davis, Hagopian, Santiago, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Natarus, Hansen, McLaughlin, Orbach, Schulter, Volini -- 37.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The City has funds available to it from the Community Development Block Grant Program -- Year XI of the U. S. Department of Housing and Urban Development, in the amount of \$2,500,000, to be used to make low interest loans to start-up and expanding businesses, and known as the Business Development Loan Program; and

WHEREAS, Continental Commercial Partners, Ltd. ("Continental"), an Illinois limited partnership, has made application to the City for a Business Development Loan in the amount of \$350,000 ("B.D.L. Loan") to assist in the acquisition and development of real estate located at 76th Street and Racine Avenue ("Property"), into a 103,000 square foot shopping center; and

WHEREAS, The City has funds available to it through repayment of loans made under the Revolving Loan Fund Program, a loan program funded in principal amount of \$1,500,000 by the U. S. Department of Commerce, Economic Development Administration, to be used to make low interest loans to start-up and expanding businesses; and

WHEREAS, Continental Commercial Partners, Ltd. ("Continental"), an Illinois limited partnership, has made application to the City for a Revolving Loan Fund Loan in the amount of \$150,000 ("R.L.F. Loan") to assist in the development of the Property into a 103,000 square foot shopping center; and

WHEREAS, The proposed acquisition and subsequent business expansion is expected to result in the creation of 96 construction jobs, and 206 new, permanent jobs within 48 months of commencement of development of the Property; and

WHEREAS, Funds for the aforesaid Business Development Loan Program and Revolving Loan Fund Program have been appropriated by the City Council of the City of Chicago; and

WHEREAS, The Economic Development Commission of the City of Chicago, pursuant to the recommendation of the Department of Economic Development of the City of Chicago, by resolutions dated 3 February, 1986, has approved a B.D.L. Loan in the amount of \$350,000, and an R.L.F. Loan in the amount of \$150,000, to Continental for purposes of assisting in the acquisition and development of the Property; now, therefore,

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

SECTION 1. The Commissioner of the Department of Economic Development of the City of Chicago ("Commissioner"), is hereby authorized to enter into and execute, on behalf of the City of Chicago ("City"), a Loan and Security Agreement ("Agreement"), by which the City will make a combined loan in the amount of \$500,000, to be funded by \$350,000 from the Business Development Loan Program and \$150,000 from the Revolving Loan Fund Program, to Continental Commercial Partners, Ltd., an Illinois limited partnership ("Continental"), to assist in the acquisition and development of a parcel of land located at 76th Street and Racine Avenue, in the City of Chicago, into a 103,000 square foot shopping center. The Agreement will be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner is further authorized to enter into and execute such other documents as may be necessary and proper to implement the terms of the aforesaid agreements.

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

Agreement attached to this ordinance reads as follows:

Loan and Security Agreement.

This Agreement is entered into and executed as of this _____ day of _____, 19____, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602, and Continental Commercial Partners, LTD., an Illinois limited partnership, with principal offices at 2325 East 71st Street, Chicago, Illinois 60649 ("Borrower").

Recitals.

Whereas, D.E.D. was established on 10 February, 1982, by ordinance of the City Council of the City of Chicago, and has as its primary purpose the creation of additional employment opportunities in the City of Chicago, through attraction and expansion of economic development activity in the City; and

Whereas, the Lender has funds available to it from the Community Development Block Grant Program -- Year XI of the U.S. Department of Housing and Urban Development, in

the amount of \$2,500,000, to be used to make low interest loans to start-up and expanding businesses, and known as the Business Development Loan Program; and

Whereas, Borrower has made application to the Lender for a Business Development Loan in the amount of \$350,000 ("B.D.L. Loan") to assist in the acquisition and development of real estate located at 76th Street and Racine Avenue ("Property"), into a 103,000 square foot shopping center; and

Whereas, the Lender has funds available to it through repayment of loans made under the Revolving Loan Fund Program, a loan program funded in principal amount of \$1,500,000 by the U.S. Department of Commerce, Economic Development Administration, to be used to make low interest loans to start-up and expanding businesses; and

Whereas, Borrower, further, has made application to the Lender for a Revolving Loan Fund Loan in the amount of \$150,000 ("R.L.F. Loan") to assist in the development of the Property into a 103,000 square foot shopping center; and

Whereas, the proposed acquisition and subsequent business expansion is expected to result in the creation of 96 construction jobs, and 206 new permanent jobs within 48 months of commencement of development of the Property; and

Whereas, funds for the aforesaid Business Development Loan Program and Revolving Loan Fund Program have been appropriated by the City Council of the City of Chicago; and

Whereas, the Economic Development Commission of the City of Chicago, pursuant to the recommendation of the Department of Economic Development of the City of Chicago, by resolutions dated 3 February, 1986, approved a B.D.L. Loan in the amount of \$350,000, and a R.L.F. Loan in the amount of \$150,000, to Borrower, for purposes of assisting in the acquisition and development of the Property;

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

Section 1. The above recitals are incorporated herein and made a part hereof by reference.

Section 2. Definitions.

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

2.02 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time

hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

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

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

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

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

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

2.08 "Property" shall mean that certain real estate located at 76th Street and Racine Avenue, Chicago, Illinois 60620, and all buildings, facilities and structures now existing or hereafter erected thereon.

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

2.10 "Redevelopment Agreement" shall mean that certain Urban Development Action Grant Redevelopment Agreement, dated as of _____, 1986, between Lender, Borrower and LaSalle National Bank and Trust Company, not personally, but as Trustee under Trust No. 63140, dated 17 December 1984.

2.11 "Senior Lender" shall have the meaning set forth in the Redevelopment Agreement.

Section 3. Loan.

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

3.01 The principal sum of the Loan shall be \$500,000.

3.02 The term of the Loan shall be 15 years.

3.03 The rate of interest charged on the Loan, per annum, shall be 3% on the principal balance outstanding from time to time.

3.04 Repayment of the Loan shall be in 120 equal monthly installments of principal together with interest thereon at the rate set forth in Paragraph 3.03 above. The first payment shall be on or before the 1st day of the first full month after substantial completion of the Project, but in any event no later than 31 March 1987.

3.05 Borrower expressly agrees that Loan proceeds shall be used for purposes of assisting in the acquisition and development of the Project, and only at the Property; except with the prior consent of Lender, which consent shall not be unreasonably withheld; provided that any shift in location by Borrower shall be to another location within the boundaries of the Lender; and provided further that in occupying the Property, Borrower is not relocating from another labor area within the City, nor has Borrower discontinued, liquidated or curtailed during the past 24 months any production unit similar to that which will be located at the above address except as part of a consolidation pursuant to the Project.

Section 4. Grant of Security Interest.

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

4.01 Property:

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

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

4.04 Borrower shall execute such financing statements and security agreements as Lender may request to assure Lender's security interest in the Collateral is perfected, which Lender shall file, at Borrower's cost, at such locations as Lender may demand to perfect its security interest in the Collateral.

4.05 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interest, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that the Loan may be subordinated to the loan of the Senior Lender or any credit enhancement entity or any replacement thereof, in an amount not to exceed \$6,000,000, plus interest thereon, plus additional amounts actually advanced by the Senior Lender, or credit enhancement entity or replacement thereof, upon Borrower's failure to perform its obligations under the Senior Financing.

4.06 Borrower agrees that it shall personally guaranty the Loan and charges relating thereto, solely to the extent of its assets in the Project, and no other person or limited partner shall be liable upon said guaranty.

Section 5. Conditions Precedent.

The following, some of which may already have been accomplished shall be required of Borrower as Conditions Precedent to disbursement of Loan proceeds: substantially the form attached hereto as Exhibit A.

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

5.02 Borrower shall have furnished to Lender, duly executed financing statements to be filed by the Lender, with the Secretary of State of Illinois and Cook County Recorder of Deeds, respectively.

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

5.04 Guarantee of repayment of the Loan.

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

Section 6. Conditions Precedent to Disbursement of Loan Proceeds.

6.01 For Loan proceeds used to purchase machinery and equipment, Borrower shall create an escrow account with a bank reasonably satisfactory to Lender, with instructions

that disbursements shall be made as directed by Lender, in writing. Lender shall promptly provide the aforesaid instruction upon receipt of duly executed Certificate(s) of Inspection and Acceptance, certifying that the machinery and equipment purchased with Loan proceeds has been received, inspected, installed, and is working to the full satisfaction of Borrower; and Borrower's letter of direction instructing to whom Lender should make payment.

6.02 For Loan proceeds to be used for construction, Borrower shall follow the procedures set forth in the Redevelopment Agreement.

6.03 All costs incurred in fulfilling the obligations of this Section 6, shall be borne solely by the Borrower.

Section 7. Warranties, Representations and Covenants.

Borrower warrants, represents and covenants, to Lender, as follows:

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

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

7.03 Except as disclosed in the Financials, (a) Borrower is now and at all times hereafter, an Illinois limited partnership, duly organized and existing and in good standing under the laws of the State of Illinois, as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's partnership agreement, or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral, free and clear of all liens, claims, security interests and encumbrances except those of Lender and as otherwise permitted under the Redevelopment Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in the application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral; (g) Borrower has and is in good standing with respect to all government permits, certificates, consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with

respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

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

7.05 Except as permitted under the Redevelopment Agreement, Borrower shall concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant, or suffer or permit a lien, claim or encumbrance upon any of the Collateral except as provided herein; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Other Indebtedness.

7.06 Borrower shall pay promptly when due, all Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding and the same are not in excess of \$10,000, and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

7.07 Borrower shall maintain financial records as set forth in the Redevelopment Agreement. In addition, upon request by D.E.D., Borrower shall submit to D.E.D. no less frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition prepared in accordance with generally accepted accounting principles consistently applied.

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

Section 8. Maintaining Records/Right to Inspect.

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

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

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

Section 9. Events of Default.

Borrower shall be in Default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely: (a) failure to make when due and owing, any payment under the Note which failure shall continue for a period of 10 days following notice thereof to Borrower; (b) failure to perform any obligations of or any covenants or liabilities contained or referred to herein other than payment under the Note; (c) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (d) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement; (e) Borrower's sale, partial sale, transfer or voluntary disposition of its business; (f) involuntary dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower and, for (b) through (f) of this Section 9, continuing for a period of 60 days after notice thereof to Borrower; or (h) any default of Other Agreements with the Lender or the Senior Lender which would permit the Lender or the Senior Lender as the case may be, after the expiration of any applicable cure period thereunder, to accelerate its loan.

Section 10. Remedies.

Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 9 above), Lender, at its option, may declare all Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose

may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower [and/or Developer]'s right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least five (5) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least five (5) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

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

Section 11. No Waiver by Lender.

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

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

Section 12. Jobs.

12.01 Borrower shall use its best efforts to create approximately 92 construction jobs, and 206 new permanent jobs within 48 months after execution of this Agreement.

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

Section 13. Prepayment.

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

Section 14. Labor Standards.

If Loan proceeds are used for construction, Borrower (including all contractors of Borrower for the Project), shall be required to meet labor standards and prevailing wage schedules of the Davis-Bacon Act, as amended (40 U.S.C. 276-a-5).

Section 14. Equal Employment.

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

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

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

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

Section 15. Disclaimer of Relationship.

Nothing contained in this Agreement, nor any act of the Borrower or the Lender, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or any association or relationship between Lender and Borrower other than that expressly created by the making of this Loan.

Section 16. Conflict of Interest.

No member, official or employee of Lender shall have any personal interest, direct or indirect, in the Borrower's business; nor shall any such member, official or employee participate in any decision relating to Borrower's business which affects his personal

interests or the interests of any corporation, partnership or association in which he is directly interested.

Section 17. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of Lender shall be individually or personally liable to Borrower, its successors or assigns for any actions under this Agreement.

Section 18. Assignment.

18.01 Borrower may not sell, assign or transfer this Agreement without the prior written consent of Lender.

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

Section 19. Additional Provisions.

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

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

If To Lender:	Department of Economic Development of the City of Chicago Room 2800 20 North Clark Street Chicago, Illinois 60602 Attention: Commissioner
With Copies To:	Department of Law of the City of Chicago Room 511 City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
If To Borrower:	Continental Commercial Partners, Ltd. 2325 East 71st Street Chicago, Illinois 60649 Attention: Mr. Vince Lane
With Copies To:	Coffield Ungaretti Harris Slavin Three First National Plaza Suite 3500 Chicago, Illinois 60603 Attention: James E. Lentz

The parties shall give notice if there are any further or different addresses to which subsequent notices, certificates or other communications are to be sent.

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

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

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

[Signature forms omitted for printing purposes.]

Referred -- ILLINOIS COMMERCE COMMISSION URGED TO
CANCEL BRAIDWOOD NUCLEAR POWER
PLANT PROJECT.

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

WHEREAS, The utility rates of Commonwealth Edison Company, which supplies electricity to the City of Chicago and its residents and businesses, are among the highest in the Midwest; and

WHEREAS, Edison's high rates impose a burden on the household budgets of Chicago homeowners and renters alike; and

WHEREAS, Edison's high rates for business retard economic development and discourage job creation in Chicago, by causing businesses to curtail operations here in favor of other areas with lower electric rates, and by discouraging new businesses from locating in the Chicago area; and

WHEREAS, Edison's rates are expected to be raised even higher by substantial rate hikes in the next two years; and

WHEREAS, The primary cause of Edison's rate increases is the Company's large construction program, which at present consists principally of the Braidwood nuclear power plant; and

WHEREAS, Edison already has excess capacity well above levels required for reliable supply and is projected to have still more in the future even if the Braidwood plant, which the Company does not need to supply its customers, is cancelled; and

WHEREAS, Studies by independent experts indicate that Edison's customers could save billions of dollars if the Braidwood project were cancelled; and

WHEREAS, The City of Chicago has formally joined in a pending petition brought before the Illinois Commerce Commission by Business and Professional People for the Public Interest and by other organizations, and supported by the Citizens Utility Board, asking the Commission to cancel the Braidwood project; and

WHEREAS, A decision on that petition is expected imminently; now, therefore,

Be It Resolved, By the City Council of the City of Chicago, duly assembled, that the City Council of the City of Chicago respectfully urges the Illinois Commerce Commission to take all steps within its powers to effect the earliest possible cancellation of the Braidwood nuclear power plant project and, except for expenses necessary to shut down the project, the cessation of any further expenditures on the Braidwood project.

Alderman Evans moved to suspend the rules temporarily to permit immediate consideration of and action upon the foregoing proposed resolution. The motion was lost by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Langford, Streeter, Kelley, W. Davis, Smith, D. Davis, Natarus, Oberman, Volini, Orr -- 17.

Nays -- Aldermen Roti, Huels, Majerczyk, Madrzyk, Burke, Kellam, Stemberk, Krystyniak, Marzullo, Nardulli, Hagopian, Santiago, Gabinski, Mell, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, McLaughlin, Orbach, Schulter -- 24.

Thereupon, on motion of Alderman Evans, the said proposed resolution was *Referred to the Committee on Public Utilities*.

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

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

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

A communication signed by Elizabeth Hollander, Commissioner of Planning, under date of January 29, 1986, showing the recommendations of the Commissioner and Acting Zoning Administrator concerning map amendments for which public hearings were held January 28, 1986, in accordance with provisions of Section 11.9- 4 of the Chicago Zoning Ordinance as passed by the City Council on January 31, 1969, which was *Placed on File*.

City Council Informed As To Certain Actions Taken.**PUBLICATION OF JOURNAL.**

The City Clerk informed the City Council that all those ordinances, etc. which were passed by the City Council on January 30, 1986, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on February 4, 1986, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the regular meeting held on January 30, 1985, 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.

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

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

***Referred* -- SETTLEMENTS AND SUITS WITH ENTRIES OF
JUDGMENTS AGAINST CITY.**

Also, reports from the Corporation Counsel (filed in the Office of the City Clerk on February 3, 1986) addressed to the City Council (signed by Jennifer Duncan-Brice, Assistant Corporation Counsel) as to suits against the City of Chicago in which settlements were made and judgments entered as of the period ended December, 1985, which were *Referred to the Committee on Finance*.

***Referred* -- CLAIMS AGAINST CITY OF CHICAGO.**

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

Adamow Sherry, Allstate Ins. Co. (2) Mary Fahy and Theodore Osinski, Aetna and Dean Robert Jr.;

Burrell Lawrence;

Callahan Rick, Carter Barbara, C.M.C. Rent A Car;

Diaz Rafael, Dziedziak Frank R.;

Economy Fire and Cas. Co. and Leonard and Susan Siegel;
Fulton Street Management Corp.;
Laflin Richard, Lindemulder James;
Morton Walter, McCann James;
Nava Jesus, Navarro Kathy;
Osheff Alan;
Pruitt Jaunita;
Recovery Services International and Bernard Cobler;
Sanders Pinkie, State Farm Ins. Co. (2) Elizabeth and Patricia Henry;
Toll Robert;
Underwriters Adjusting Co. and Marilyn Smith.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

**AUTHORITY GRANTED FOR EXECUTION OF LOAN AND
SECURITY AGREEMENT WITH HI-GRADE PAINT
COMPANY, INCORPORATED FOR BUSINESS
EXPANSION PURPOSES AT 3543
NORTH KEDZIE AVENUE.**

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement between the City of Chicago and Hi-Grade Paint Company, Incorporated in the amount of \$100,000 for purposes of business expansion at 3543 North Kedzie Avenue.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Volini, Orr. -- 41.

Nays -- None.

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

The following is said ordinance as passed:

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

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

WHEREAS, Hi-Grade Paint Co., an Illinois corporation has made application to the Department of Economic Development to borrow \$100,000 for purposes of purchasing machinery and equipment and to provide working capital which will result, among other things, in the creation of an estimated 5 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Department of Economic Development has approved the application of Hi-Grade Paint Company, Incorporated; now, therefore,

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with Hi-Grade Paint Company, Incorporated, pursuant to which the City will loan \$100,000 to Hi-Grade Paint Company, Incorporated to assist Hi-Grade Paint Company, Incorporated to expand its operation, said Loan and Security Agreement to be substantially in the form attached hereto Exhibit A.

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

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

Loan and Security Agreement attached to the foregoing proposed ordinance reads as follows:

Exhibit "A".

Loan and Security Agreement.

This Agreement is entered into and executed as of this _____ day of _____, 19____, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602, and Hi-Grade Paint Co., Inc., an Illinois corporation with principal offices at 3543 North Kedzie, Chicago, Illinois 60618.

Recitals:

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

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

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

Whereas, Borrower desires to borrow and Lender desires to lend the sum of \$100,000 ("Loan") for the purpose of business expansion.

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

Section 1. The above recitals are incorporated herein and made a part hereof by reference.

Section 2. Definitions.

2.01 "Additional Security" shall mean those assets of any entity, other than Borrower's, now owned or hereafter acquired, in which Lender has been granted a security interest as security for repayment of the Loan, as set forth in Section 4.05 of this Agreement.

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

2.03 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to

the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

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

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

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

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

2.08 "Property" shall mean that certain real estate located at 3543 North Kedzie, Chicago, Illinois 60618, and all buildings, facilities and structures now existing or hereafter erected thereon.

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

2.10 "Senior Lender" shall mean All American Bank of Chicago.

Section 3. Loan.

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

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

3.02 The term of the Loan shall be 5 years.

3.03 The rate of interest charged on the Loan, per annum, shall be (75%) of that rate of interest charged by First National Bank of Chicago to its most credit-worthy customers upon ninety (90) day unsecured loans, in effect from time to time ("Prime Rate"), payable in equal monthly installments in the amount set forth on Lender's statement(s) provided Borrower on or before the 10th day of January, April, July and October of each year the Loan remains outstanding. The aforesaid interest rate shall be established as of the date this Agreement is executed and shall be adjusted as of the first day of January, April, July and October of each year the Loan remains outstanding. The first such interest adjustment shall be _____, 1986.

3.04 Repayment of the Loan shall be in 60 equal monthly installments of principal together with interest thereon at the rate set forth in Paragraph 3.03 above, and in the

amounts set forth in Lender's Statements provided to Borrower on or before the 10th day, each of January, April, July and September of each year the Loan, or any portion thereof, remains outstanding. The first payment shall on or before the [15th day of the first full month after initial disbursement of Loan proceeds] [1st day of the first full month after initial disbursement of Loan proceeds].

3.05 Borrower expressly agrees that Loan proceeds shall be used for purposes of purchasing machinery and equipment, for rehabilitation, and for working capital and inventory, and only at the Property; except with the prior consent of Lender, which consent shall not be unreasonably withheld; provided that any shift in location by Borrower shall be to another location within the boundaries of the City; and provided further that in occupying the Property, Borrower is not relocating from another labor area within the City, nor has Borrower discontinued, liquidated or curtailed during the past 24 months any production unit similar to that which will be located at the above address except as part of a consolidation pursuant to the Project.

Section 4. Grant of Security Interest.

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

4.01 Goods, inventory, equipment, vehicles and fixtures, including all replacements, additions, accessions, and/or substitutions thereto and therefore; all products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral, subordinate to Senior Lender.

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

4.03 Borrower shall execute such financing statements and security agreements as Lender may request to assure Lender's security interest in the Collateral is perfected,

which Lender shall file, at Borrower's cost, at such locations as Lender may demand to perfect its security interest in the Collateral.

4.04 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interest, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$155,000, plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Financing.

4.05 Borrower agrees that it shall cause Harold Goldmeier to grant Lender a security interest in all his real property located at 3543 North Kedzie, Chicago, Illinois 60618, subordinate to Senior Lender, and all his real property located at 2724 West Greenleaf, Chicago, Illinois 60645, subordinate to Irving Federal Savings; and it shall cause Pearl Goldmeier to grant Lender a security interest in all her real property located at 2626 West Fargo, Chicago, Illinois 60645; and to execute such agreements, documents and instruments as Lender may reasonably demand to evidence such grants of security interests.

4.06 Borrower agrees that Harold and Ethel Goldmeier and Pearl Goldmeier shall personally guaranty repayment of the Loan.

Section 5. Conditions Precedent to Closing the Loan.

The following, some of which may already have been accomplished shall be required of Borrower as Conditions Precedent to closing the Loan:

5.01 Duly executed First Source Agreement with Lender in substantially the form attached hereto as Exhibit A.

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

5.03 Borrower shall have furnished to Lender, duly executed financing statements to be filed at Borrower's expense by the Lender, with the Secretary of State of Illinois and Cook County Recorder of Deeds, respectively.

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

5.05 Personal Guarantee of repayment of the Loan.

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

Section 6. Conditions Precedent to Disbursement of Loan Proceeds.

6.01 For Loan proceeds to be used for working capital, Borrower shall have completed all procedures under Section 5, hereof.

6.02 For Loan proceeds used to purchase machinery and equipment, Borrower shall create an escrow account with a bank reasonably satisfactory to Lender, with instructions that disbursements shall be made as directed by Lender, in writing. Lender shall promptly provide the aforesaid instruction upon receipt of duly executed Certificate(s) of Inspection and Acceptance, certifying that the machinery and equipment purchased with Loan proceeds has been received, inspected, and installed; and Borrower's letter of direction instructing to whom Lender should make payment.

6.03 For Loan proceeds to be used for construction, Borrower shall establish an escrow account at a bank reasonably satisfactory to Lender, with instructions that disbursements may be made upon receipt and review by escrowee, of duly executed waivers and mechanics, vendors and materialmen's liens, and contractors sworn statements of work completed.

6.04 All costs incurred in fulfilling the obligations of this Section 6, shall be borne solely by the Borrower.

Section 7. Warranties, Representations and Covenants.

Borrower warrants and represents and covenants to Lender, as follows:

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

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

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

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

7.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral described in Paragraph 4.01; a third secured lien position on the real property located at 3543 North Kedzie; a second secured lien position on the real property located at 2724 West Greenleaf; and a first secured lien position on the real property located at 2626 West Fargo. Borrower shall furnish Lender document satisfactory to Lender which evidence its compliance with this Paragraph 7.04.

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

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

assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding and the same are not in excess of \$ _____ and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

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

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

Section 8. Maintaining Records/Right to Inspect.

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

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

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

Section 9. Events of Default.

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

Collateral, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement; (e) Borrower's sale, partial sale, transfer or voluntary disposition of its business; (f) involuntary dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower and, for (b) through (f) of this Section 9, continuing for a period of 60 days after notice thereof to Borrower; or (h) any default of Other Agreements with the Lender or the Senior Lender which would permit the Lender or the Senior Lender as the case may be, after the expiration of any applicable cure period thereunder, to accelerate its loan.

Section 10. Remedies.

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

The remedies of Lender hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of

any of the other remedies of Lender so long as any part of Borrower's Liabilities remain unsatisfied.

Section 11. No Waiver By Lender.

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

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

Section 12. Jobs.

12.01 Borrower shall use its best efforts to create approximately 5 permanent jobs within 12 months after execution of this Agreement.

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

Section 13. Prepayment.

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

Section 14. Labor Standards.

If Loan proceeds are used for construction, Borrower (including all contractors of Borrower for the Project), shall be required to meet labor standards and prevailing wage schedules of the Davis-Bacon Act, as amended (40 U.S.C. 276-a-5).

Section 14. Equal Employment.

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

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

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

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

Section 15. Disclaimer of Relationship.

Nothing contained in this Agreement, nor any act of the Borrower or the Lender, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or any association or relationship between Lender and Borrower other than that expressly created by the making of this Loan.

Section 16. Conflict of Interest.

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

Section 17. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of Lender shall be individually or personally liable to Borrower, its successors or assigns for any actions under this Agreement.

Section 18. Assignment.

18.01 Borrower may not sell, assign or transfer this Agreement without the prior written consent of Lender.

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

Section 19. Additional Provisions.

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

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

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

If To Borrower: Hi-Grade Paint Co., Inc.
2936 North Milwaukee Avenue
Chicago, Illinois 60618
Attention: Harold Goldmeier

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

The parties shall give notice if there are any further or different addresses to which subsequent notices, certificates or other communications are to be sent.

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

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

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

[Signature forms omitted for printing purposes.]

SITE DESIGNATION FOR CONSTRUCTION OF WEST SIDE
TECHNICAL INSTITUTE APPROVED.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance, transmitted therewith, to approve the acquisition of a site located on South Western Avenue, between 27th Street and 31st Street, for construction of the West Side Technical Institute (Project JC-8).

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

Yeas -- Aldermen Roti, Rush, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Oberman, Hansen, McLaughlin, Orbach, Volini, Orr -- 39.

Nays -- Alderman Tillman -- 1.

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

Alderman Natarus was excused from voting under the provisions of Rule 14 of the City Council's Rules of Order.

The following is said ordinance as passed:

WHEREAS, The Legislature of the State of Illinois found and declared it to be necessary and desirable to make possible the acquisition, construction or enlargement of public improvements, buildings and facilities at convenient locations within the county seats and municipalities for use by governmental agencies in the furnishing of essential governmental, health, safety and welfare services to its citizens; and

WHEREAS, The Public Building Commission Act of the State of Illinois, approved July 5, 1955, as amended, provides a means for funding and constructing buildings, improvements and facilities required by local public bodies in rendering essential governmental services; and

WHEREAS, Pursuant to said Act, the City Council of the City of Chicago, on March 28, 1956, by ordinance, created the Public Building Commission of Chicago to assist in the funding and construction of public improvements; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, by resolution No. 11110 adopted October 1, 1985, has requested that the Public Building Commission of Chicago undertake the planning, funding and construction of a technical center providing vocational programs in the vicinity of 27th to 31st Streets and South Western Avenue, consisting of approximately 14 acres, affording essential governmental services to the citizens of Chicago, to be operated by the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois; and

WHEREAS, Such facilities will enhance the opportunities for employment of persons trained in the fields of industry and science in the medical and technical centers of the west side of the City of Chicago; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, has agreed to enter into a net lease or leases, non-cancellable in any event with the Public Building Commission of Chicago, under the terms of which the Board of Trustees of Community College District No. 508 will be required to pay such amounts of rent as will be sufficient to amortize all principal and interest on revenue bonds to be issued by the Public Building Commission of Chicago in connection with the planning, funding and construction of the project; and

WHEREAS, The Public Building Commission of Chicago, pursuant to the provisions of said Public Building Commission Act, has selected, located and designated the following-described site lying wholly within the territorial limits of the City of Chicago for acquisition and construction of the West Side Technical Institute; and

WHEREAS, Said site is conveniently located and of sufficient size to accomplish and effectuate the aforesaid purposes and provide appropriate architectural setting and adequate landscaping for such facilities; and

WHEREAS, The Public Building Commission of Chicago has requested, pursuant to the requirements of Section 14 of the said Public Building Commission Act, that the City Council of the City of Chicago approve said site so selected, located and designated; now, therefore,

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

SECTION 1. The City Council of the City of Chicago does hereby approve the following-described site, heretofore selected, located and designated by the Public Building Commission of Chicago at the request of the Board of Trustees of the Community College No. 508, County of Cook and State of Illinois, as the site to be acquired for the planning, funding and construction of the West Side Technical Institute (Project JC-8):

Lot 1, Lot 2, Lot 3, Lot 4, Lot 5, Lot 6, Lot 7, and Lot 8 in Lawndale Industrial Park, being a subdivision of part of the east half of the southeast quarter of Section 25, Township 39 North, Range 13 East of the Third Principal Meridian in accordance with the plat thereof recorded as Document No. 220-967-92 in Cook County, Illinois.

SECTION 2. This ordinance shall be effective immediately upon the passage thereof.

SITE DESIGNATION FOR CONSTRUCTION OF NEW WRIGHT
JUNIOR COLLEGE APPROVED.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance, transmitted therewith, to approve the acquisition of a site located at the northwest corner of West Montrose Avenue and North Narragansett Avenue for construction of a new campus facility for Wright Junior College (Project JC-7).

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

Yeas -- Aldermen Roti, Rush, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Oberman, Hansen, McLaughlin, Orbach, Volini, Orr -- 39.

Nays -- Alderman Tillman -- 1.

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

Alderman Natarus was excused from voting under the provisions of Rule 14 of the City Council's Rules of Order.

The following is said ordinance as passed:

WHEREAS, The Legislature of the State of Illinois found and declared it to be necessary and desirable to make possible the acquisition, construction or enlargement of public improvements, buildings and facilities at convenient locations within the county seats and municipalities for use by governmental agencies in the furnishing of essential governmental, health, safety and welfare services to its citizens; and

WHEREAS, The Public Building Commission Act of the State of Illinois, approved July 5, 1955, as amended, provides a means for funding and constructing buildings, improvements and facilities required by local public bodies in rendering essential governmental services; and

WHEREAS, Pursuant to said Act, the City Council of the City of Chicago, on March 28, 1956, by ordinance, created the Public Building Commission of Chicago to assist in the funding and construction of public improvements; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, by Resolution No. 11211 adopted on November 15, 1985, has requested that the Public Building Commission of Chicago undertake the planning, funding and construction of a new campus facility for the Wright Junior College affording essential governmental services to the citizens of Chicago; and

WHEREAS, Such facility will be located in the vicinity of West Montrose Avenue and North Narragansett Avenue on land legally described in Exhibit "A" hereof and conveyed to the Board of Trustees of Community College District No. 508 by the State of Illinois through the Department of Central Management Services and the Department of Mental Health and Developmental Disabilities pursuant to the provisions of Public Act 84-460; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, has agreed to enter into a net lease or leases, non-cancellable in any event, with the Public Building Commission of Chicago, under the terms of which the Board of Trustees of Community College District No. 508 will be required to pay such amounts of rent as will be sufficient to amortize all principal and interest on revenue bonds to be issued by the Public Building Commission of Chicago in connection with the planning, funding and construction of the project; and

WHEREAS, The Board of Trustees of Community College District No. 508, County of Cook and State of Illinois, will convey the property upon which the building will be constructed to the Public Building Commission of Chicago, a municipal corporation,

provided, however, that the property on which the facility will be constructed, together with all buildings, structures, and improvements thereon will be conveyed or reconveyed to the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois at such time as all principal and interest on the revenue bonds issued by the Commission in connection with such project, and the accrued and unpaid expenses of the Commission with respect to such project, have been paid in full; and

WHEREAS, The Public Building Commission of Chicago, pursuant to the provisions of said Public Building Commission Act, has selected, located, and designated the site known as Project JC-7 and legally described on Exhibit "A" attached hereto and incorporated herein by reference, lying wholly within the territorial limits of the City of Chicago, as the site to be acquired for the planning, funding, and construction of the new campus facility for the Wright Junior College; and

WHEREAS, Said site is conveniently located and for sufficient size to accomplish and effectuate the aforesaid purposes and sufficient to provide appropriate architectural setting and adequate landscaping for such facilities; and

WHEREAS, The Public Building Commission of Chicago has requested, pursuant to the requirements of Section 14 of the said Public Building Commission Act, that the City Council of the City of Chicago approve said site so selected, located and designated; now, therefore,

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

SECTION 1. The City Council of the City of Chicago does hereby approve the following site heretofore selected, located and designated by the Public Building Commission of Chicago, as the site to be acquired for the planning, funding and construction of the new campus facility for the Wright Junior College:

Legal Description attached hereto and incorporated herein by reference as Exhibit "A".

SECTION 2. This ordinance shall be effective immediately upon passage thereof.

LICENSE FEE EXEMPTIONS FOR CERTAIN CHARITABLE, EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance, to which had been referred (November 6, December 17 and 30, 1985) sundry proposed ordinances transmitted therewith, authorizing the exemption of annual license fees for certain charitable, educational and religious institutions, submitted separate committee reports recommending that the City Council pass said proposed ordinances.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuster, Volini, Orr -- 44.

Nays -- None.

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

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

Loretto Hospital.

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

SECTION 1. Pursuant to Section 137-6 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, the following hospital that is not operated for gain but where a charge is made for the care of patients, shall be exempted from payment of Permit Fee for Loretto Hospital's cafeteria.

Loretto Hospital
645 South Central Avenue
Chicago, Illinois 60644.

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

Michael Reese Hospital and Medical Center Employee Cafeteria.

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

SECTION 1. Pursuant to Section 130-3.1 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, the

Michael Reese Hospital and Medical Center Employee Cafeteria,
2816 South Ellis Avenue,

is hereby exempted from payment of the annual Food Dispenser (retail) license fee provided therefor, for the year 1986.

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

Saint Bernard Hospital.

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

SECTION 1. Pursuant to Section 130-2.1 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health-

Saint Bernard Hospital,
64th Street and Dan Ryan Expressway,

is hereby exempted from payment of the annual Food Purveyor Class I license fee for the year 1986.

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

Saint Bernard Hospital.

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

SECTION 1. Pursuant to Section 130-2.4 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health-

Saint Bernard Hospital,
64th Street and Dan Ryan Expressway,

is hereby exempted from payment of the annual Food Purveyor Class I and Class II license fees for the year 1986.

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

Saint Mary of Nazareth Hospital Center.

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

SECTION 1. Pursuant to Section 130-3.1 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, the

Saint Mary of Nazareth Hospital Center
2233 West Division Street,

is hereby exempted from payment of the annual Food Dispenser (retail) license fee, for the year 1986.

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

COMMITTEE ON CABLE TELEVISION.

MAYOR'S APPOINTMENT OF MR. ROBERT E. MANN AS MEMBER OF CHICAGO CABLE COMMISSION.

The Committee on Cable Television submitted the following report:

CHICAGO, February 4, 1986.

To the President and Members of the City Council:

Your Committee on Cable Television having under consideration a communication signed by Mayor Harold Washington, appointing Robert E. Mann as a member of the Chicago Cable Commission.

A Committee meeting was held, and a vote taken on February 4, 1986. The members of the Committee recommended do *Pass* on the appointment of Mr. Mann by a unanimous voice vote.

Respectfully submitted,
(Signed) EUGENE C. SCHULTER,
Chairman.

On motion of Alderman Schulter, the said proposed appointment of Mr. Robert E. Mann as a member of the Chicago Cable Commission was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

COMMITTEE ON ECONOMIC DEVELOPMENT.

CONDITIONAL APPROVAL OF INDUSTRIAL REVENUE BONDS FOR FINANCING OF PROJECT BY STEVENSON ENGINEERING COMPANY.

The Committee on Economic Development submitted the following report:

CHICAGO, February 4, 1986.

To the President and Members of the City Council:

Your Committee on Economic Development, having had under consideration a proposed ordinance transmitted with a communication signed by Mayor Harold Washington (which was transmitted on January 16, 1986) providing for the conditional approval of an industrial revenue bond in the amount of \$1,000,000 to finance an industrial development project in the City of Chicago to be owned by Stevenson Engineering Company, begs leave to recommend that Your Honorable Body *Pass* said ordinance which is transmitted herewith.

This recommendation was concurred in by seven (7) members of the committee with no dissenting votes.

Respectfully submitted,
(Signed) BERNARD J. HANSEN,
Chairman.

On motion of Alderman Hansen, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to Chapter 15.2 of the Municipal Code of the City of Chicago, as supplemented and amended (the "Enabling Ordinance"), there has been established an Economic Development Commission of the City of Chicago (the "Commission"), a Department of Economic Development of the City of Chicago (the "Department") and the office of Commissioner of Economic Development of the City of Chicago (the "Commissioner"), and the Department and the Commissioner are empowered, upon the advice of the Commission, to enter into agreements with respect to the proposed development of industrial development projects and to recommend to the City Council that it issue Industrial Revenue Bonds for the public purposes stated in the Enabling Ordinance; and

WHEREAS, The Commissioner, upon the advice of the Commission and on behalf of the Department, has approved the attached Memorandum of Agreement relating to the issuance of not to exceed \$1,000,000 of Industrial Revenue Bonds to finance an industrial development project in the City of Chicago, Illinois, to be owned by Stevenson

Engineering Company, a Maryland general partnership of Sol Kramer and Lou Kramer, to be used as a facility for the manufacturing of foam molding and model railroad products, to be leased to Life-Like Products, Inc., a Maryland corporation, and to be located in the City of Chicago, Illinois, and has recommended the approval of this ordinance; and

WHEREAS, Such approval constitutes a recommendation to this City Council that it take all further steps necessary for the timely issuance of such Industrial Revenue Bonds; and

WHEREAS, Section 103(k) of the Internal Revenue Code of 1954, as amended, requires that a public hearing be held in the City of Chicago, Illinois on the proposed plan of financing for said industrial development project; now, therefore,

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

SECTION 1. The recommendation of the Commissioner, on behalf of the Department, is hereby accepted and the Memorandum of Agreement in the form submitted to this City Council is hereby approved.

SECTION 2. Upon the fulfillment of the conditions stated in the Memorandum of Agreement, this City Council will take such other actions and adopt such further proceedings as may be necessary under the Enabling Ordinance to issue such Industrial Revenue Bonds in an aggregate principal amount not to exceed \$1,000,000 for the purpose aforesaid.

SECTION 3. The Commissioner is hereby authorized, empowered and directed to publish notice to the public of a public hearing on the proposed plan of financing for said industrial development project, such notice to be in substantially the same form as Exhibit A attached hereto and made a part hereof and to be published on a date and in a manner determined by him to be appropriate and at least fourteen (14) days prior to the date on which said public hearing is to be held; and the Commissioner (or any officer or employee of the Department designated by the Commissioner) is further authorized, empowered and directed to hold the public hearing referred to in said notice and to provide a transcript of said public hearing to the Finance Committee of this City Council.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

Memorandum of Agreement and Exhibit A attached to this ordinance read as follows:

Memorandum of Agreement.

This Memorandum of Agreement (the "Agreement") is by and between the Department of Economic Development of the City of Chicago (the "Department") and Stevenson Engineering Company, a Maryland general partnership of Sol Kramer and Lou Kramer (the "Borrower").

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

(a) The City of Chicago, Cook County, Illinois (the "City") is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois and as such home rule unit has duly adopted Chapter 15.2 of the Municipal Code of the City of Chicago, as supplemented and amended (the "Ordinance"), authorizing and empowering the City to issue revenue bonds for the purpose of financing the cost of the acquisition, purchase, construction, rehabilitation, redevelopment or extension of "industrial development projects" (as defined in the Ordinance) in order to encourage and promote the retention and expansion of existing commercial and industrial businesses within the City and the attraction of new businesses to the City.

(b) The Borrower, proposes to acquire an existing 151,000 square foot facility on real estate located at 1856 North Kostner Avenue in Chicago, Illinois and rehabilitate and equip the same to be used as a facility for manufacturing of foam molding and model railroad products (the "Project") to be leased to Life Like Products, Inc., a Maryland corporation (the "Company"). The Borrower wishes to obtain satisfactory assurance from the City that the proceeds from the sale of the revenue bonds of the City will be made available to finance the cost of the Project.

(c) The Department is authorized pursuant to the Ordinance to enter into agreements with respect to industrial development projects and the financing thereof and to make recommendations to the City with respect to the issuance of revenue bonds.

(d) Subject to due compliance with all requirements of law, the Department will proceed to take such action, and recommend that the City take such action, as may be necessary to cause to be prepared such agreements, mortgages, indentures, or such other documents as may be necessary to cause the City, by virtue of such authority as may now or hereafter be conferred by the Ordinance, to issue and sell its revenue bonds in an amount not to exceed \$1,000,000 (the "Bonds") to pay costs of the Project and costs incidental to the issuance of the Bonds.

(e) Pursuant to the Ordinance, the Economic Development Commission of the City of Chicago (the "Commission") has identified the Project as an industrial development project which may be undertaken to strengthen and promote the economic vitality of the City of Chicago, Illinois, has approved the form of this Agreement, and has advised the Commission of Economic Development of the City of Chicago to recommend to the City Council of the City, that the City issue and sell the Bond to finance the cost of the Project.

(f) The Department, with and upon the advice of the Commission, considers that the financing by the City of the cost of the Project on behalf of the Borrower will promote and further the purposes of the Ordinance.

(g) The Department and the City reserve the right to give priority to the issuance of industrial development bonds and certain other "private activity bonds" of the City, as may be required by Section 103(n) of the Internal Revenue Code of 1954, as amended, or as they, in their sole discretion, may determine, with the result that the City may not issue the Bonds in calendar year 1985.

2. Undertakings on the Part of the Department. Subject to the conditions above stated and to the limits of the authority of the Department, the Department agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council of the City to authorize the issuance and sale of the Bonds, pursuant to the terms of the Ordinance as then in force.

(b) That it will cooperate with the Borrower in finding a purchaser or purchasers for the Bonds and, if satisfactory purchase arrangements can be made, the Department will recommend that the City adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized by law and mutually satisfactory to the Department, the City and the Borrower.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide that the City will use the proceeds of the Bonds to finance the Project and the aggregate payments basic rents or sale price (i.e., the amounts to be paid by the Borrower, and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds) payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

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

(a) That it will use all reasonable efforts to fund one or more purchasers for Bonds.

(b) That contemporaneously with the issuance of the Bonds, the Borrower will enter into a revenue agreement, as defined in the ordinance, with the City under the terms of which the Borrower will obligate itself to pay to the City sums sufficient in the aggregate to pay the principal of, interest and redemption premium, if any, on the Bonds as when the same shall become due and payable, such revenue agreement to be in form and substance satisfactory to the Department, the City and the Borrower.

(c) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchaser thereof and ending three years after the date of completion of the acquisition, construction and equipping of the Project or after payment of all costs of said acquisition, construction and equipping of the Project, whichever is later, the Borrower will (1) furnish upon request of the Department a report in a form satisfactory to the Department, containing information relating to the Project, including but not limited to, the numbers and types of jobs and employment opportunities which have been created or maintained within the City as a result of said acquisition, construction and equipping of the Project, and (2) permit any duly authorized agent of the Department to enter upon and inspect the Project during regular business hours, and to

examine and copy at any offices of the Borrower located within the City of Chicago, Illinois during regular business hours all books, records, and other documents of the Borrower relating to expenditures from the Bond proceeds for the Project and the numbers and types of jobs at the Project.

(d) That it will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

4. General Provisions.

(a) All commitments of the Department under paragraph 2 hereof and of the Borrower under paragraph 3 hereof, are subject to the conditions that on or before one (1) year from the date hereof (or such other date as shall be mutually satisfactory to the Department and the Borrower), the Department, the City and the Borrower shall have agreed to mutually acceptable terms for the Bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the agreements and instruments referred to in paragraphs 2 and 3 hereof and the proceedings referred to in paragraphs 2 and 3 hereof.

(b) All costs and expenses in connection with the financing and acquisition, construction and equipping of the Project, including the fees and expenses of counsel to the City and the Department, Carlson and Hug, as bond counsel, and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Borrower. If the events set forth in (a) of this paragraph do not take place within the time set forth on any extension thereof and the Bonds are not sold within such time, the Borrower agrees that it will reimburse the City and the Department for all reasonable and necessary direct out-of-pocket expenses which the City and the Department may incur from the execution of this Agreement and the performance by the City of its obligations hereunder, and this Agreement shall thereupon terminate.

In Witness Whereof, the parties hereto have entered into this agreement by their officers thereunto duly authorized as of this 19th day of December, 1985.

[Signature forms omitted for printing purposes.]

Exhibit A.

Notice of Public Hearing.

Notice is hereby given that on _____, 1986, at _____ M., in _____, Chicago, Illinois, a public hearing will be held before the Commissioner of Economic Development of the City of Chicago or his designee regarding a plan to issue not to exceed \$1,000,000 Industrial Revenue Bonds (the "Bonds") of the City of Chicago, Cook County, Illinois (the "City"), the proceeds of which will be loaned to Stevenson Engineering Company, a Maryland general partnership of Sol Kramer and Lou Kramer (the "Borrower") to provide funds for the Borrower to acquire an existing 151,000 square foot facility on real estate located at 1856 North Kostner Avenue, Chicago, Illinois and to rehabilitate and equip the same, to be used as a facility for manufacturing of foam molding

and model railroad products to be leased to Life-Like Products, Inc., a Maryland corporation.

The Bonds will be issued by the City pursuant to its powers as a home rule unit of government under the 1970 Constitution of the State of Illinois and an ordinance proposed for adoption by the City Council of the City. The Bonds will not be general obligations of the City, the State of Illinois or any political subdivision thereof, but will be special, limited obligations of the City as the principal of, premium, if any, and interest on the Bonds will be payable solely from revenues and receipts derived from the repayment of the loan by the Borrower (except to the extent payable from Bond proceeds, the income from the temporary investment thereof and moneys derived from and payments made pursuant to the instruments delivered in connection with said loan). The Bonds will not constitute an indebtedness of the City, the State of Illinois or any political subdivision thereof or a loan of credit of any of them within the meaning of any constitutional or statutory provisions. No owner of any Bond will have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Bonds.

The above noticed public hearing is required by the Tax Equity and Fiscal Responsibility Act of 1982. Written comments may also be submitted to the Department of Economic Development of the City of Chicago at its office located at 20 North Clark Street, Room 2800, Chicago, Illinois 60602, until _____, 1986. Subsequent to the public hearing, the City Council of the City will meet to consider approval of the issuance of the Bonds.

Notice dated _____, 1986.

/s/ _____
Commissioner of Economic Development,
Department of Economic Development
of the City of Chicago

901 NORTH KILPATRICK AVENUE DESIGNATED AS CLASS 6 (b)
REAL ESTATE TAX INCENTIVE.

The Committee on Economic Development submitted the following report:

CHICAGO, February 4, 1986.

To the President and Members of the City Council:

Your Committee on Economic Development, having had under consideration a resolution submitted by Alderman Frank Damato (37th Ward) authorizing real estate tax incentives under classification 6 (b) of the Cook County Real Property Assessment

Classification Ordinance to the real estate known as 901 North Kilpatrick Avenue, begs leave to recommend that Your Honorable Body *Adopt* said resolution which is transmitted herewith.

This recommendation was concurred in by seven (7) members of the committee with no dissenting votes.

Respectfully submitted,
(Signed) BERNARD J. HANSEN,
Chairman.

On motion of Alderman Hansen, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has amended the Cook County Real Property Classification Ordinance as of October 2, 1984, to provide certain real estate tax incentives to property owners who rehabilitate and occupy property which is located in an Enterprise Zone, said classification being known as Class 6 (b) of said Cook County Ordinance; and

WHEREAS, The City of Chicago, consistent with the intent of the Cook County Real Property Classification Ordinance, wishes to induce industry to locate, expand and re-occupy existing facilities in the City by offering financial incentives in the form of property tax relief; and

WHEREAS, Amco Corporation, an Illinois Corporation, acquired the industrial property having the common street address of 901 North Kilpatrick Avenue in the City of Chicago; and

WHEREAS, Through its rehabilitation and occupancy of said real estate, Amco Corporation is adding substantial value to said real estate; and

WHEREAS, The acquisition of the property by Amco Corporation, and the use of the property for manufacturing and industry is in the best interests of the health, safety, and welfare of the people of this City; and

WHEREAS, The City of Chicago hereby finds that the property qualifies for the property tax incentives of Class 6 (b) of the Cook County Real Property Classification Ordinance; now, therefore,

Be It Resolved, by the City Council, that:

SECTION 1. Real Estate Tax Incentive. Pursuant to the Cook County Real Property Classification Ordinance, the City of Chicago, hereby approves of the classification of the property as Class 6 (b) property under the Cook County Real Property Classification Ordinance.

SECTION 2. Subject Property. The incentive shall apply to the property identified in the 1985 Cook County Collector's Warrant Book as Volume 541, Permanent Real Estate Index Number 16-03-315-004 thru -019, inclusively.

SECTION 3. Further Action. The Clerk of the City of Chicago is authorized and shall send a copy of this Resolution to the Office of the Cook County Assessor, Room 312, County Building, 118 North Clark Street, Chicago, Illinois, 60602, Attention: Leonard Amari and William Cowhey; and

Be It Further Resolved, That this resolution shall be effective immediately upon its passage and approval, or as otherwise provided by law.

COMMITTEE ON HOUSING AND NEIGHBORHOOD DEVELOPMENT.

AUTHORITY GRANTED TO APPROVE SALE OF PARCEL 13 IN COMMERCIAL DISTRICT DEVELOPMENT PROJECT MADISON-RACINE TO MID-CITY NATIONAL BANK OF CHICAGO.

The Committee on Housing and Neighborhood Development submitted the following report:

CHICAGO, January 23, 1986.

To the President and Members of the City Council:

Your Committee on Housing and Neighborhood Development, having had under consideration a proposed ordinance transmitted with a communication signed by Honorable Harold Washington, Mayor (which was referred on August 7, 1985) to approve the sale of Parcel 13 in Commercial District Development Project Madison-Racine to Mid-City National Bank of Chicago, approved by the Commercial District Development Commission by Resolution No. 85-CDDC-21, adopted by the Commission on June 18, 1985, a certified copy of which is attached to the ordinance, begs leave to recommend that Your Honorable Body *Pass* the said ordinance, which is transmitted herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) MIGUEL A. SANTIAGO,
Chairman.

On motion of Alderman Santiago, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Redevelopment Plan for Project Madison-Racine heretofore has been approved by the Commercial District Development Commission and by the City Council of the City of Chicago; and

WHEREAS, The Commission proposes to accept an offer to purchase a certain parcel of land, made by Mid-City National Bank of Chicago as set forth in Resolution No. 85-CDDC-21, adopted by the Commission on June 18, 1985, and further has submitted herewith the said proposed offer to the City Council of the City of Chicago, for its approval; and

WHEREAS, The City Council has considered the said Resolution the redevelopment proposed and the indicated sale of said parcel of land 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. That the sale proposed by the Commercial District Development Commission of certain parcels of land in Commercial District Development Project Madison-Racine, as identified on a Disposal Parcel Map for said Project is hereby approved as follows:

Purchaser	Parcel	Sq. Ft. Price	Total Price
Mid-City National Bank of Chicago	13	\$10.31 +	\$240,000.00

SECTION 2. This ordinance shall be effective upon its passage and approval.

AUTHORITY GRANTED TO EXECUTE CORRECTIVE DEED
RECONVEYING FOUR FEET OF PROPERTY LINE
TO VINCENNES ACE HARDWARE.

The Committee on Housing and Neighborhood Development submitted the following report:

CHICAGO, January 23, 1986.

To the President and Members of the City Council:

Your Committee on Housing and Neighborhood Development, having had under consideration a proposed ordinance transmitted with a communication signed by Honorable Harold Washington, Mayor (which was referred on December 4, 1985) authorizing the Mayor to enter into and execute a corrective deed reconveying four feet of property line to Vincennes Ace Hardware, due to a scrivener's error, which property located at 7445 S. Vincennes Avenue was acquired by the City of Chicago for Urban Renewal Project Southeast Englewood, begs leave to recommend that Your Honorable Body *Pass* the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) MIGUEL A. SANTIAGO,
Chairman.

On motion of Alderman Santiago, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schullter, Volini, Orr -- 44.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago has acquired the property located at 7445 S. Vincennes Avenue for Urban Renewal Project Southeast Englewood, Block 144, Parcel 24 pursuant to a resolution adopted by the Department of Urban Renewal on January 22, 1985; and

WHEREAS, The previous owner conveyed an excess of four feet of property line due to a scrivener's error; and

WHEREAS, The scrivener's error may be corrected by the recording of a reconveyance deed from the City of Chicago to the previous owner; and

WHEREAS, The purchase price of said property was not affected by said scrivener's error, and therefore, no compensation is due to the City of Chicago; now, therefore,

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

SECTION 1. The conveyance of the following described real property to Vincennes Ace Hardware, Inc. for a consideration of \$1.00 is hereby approved:

The South 4 ft. of the North 20 feet (as measured at right angles to the North line) of Lot 44 of Reyel's Addition to Auburn Park, a Subdivision of the North 1/2 of the South 1/2 of South 1/2 of South 1/2 of the Northeast 1/4 of Section 28, Township 38 North, Range 14 East of Third Principal Meridian, in Cook County, Illinois, commonly known as 7445 S. Vincennes.

SECTION 2. The Mayor is hereby authorized to execute, and the City Clerk to attest and affix the corporate seal to a quitclaim deed.

SECTION 3. This ordinance shall be effective immediately upon its passage.

UNITED STATES DEPARTMENT OF HOUSING URGED TO ACCELERATE
URBAN HOMESTEADING PROGRAM.

The Committee on Housing and Neighborhood Development submitted the following report:

CHICAGO, January 23, 1986.

To the President and Members of the City Council:

Your Committee on Housing and Neighborhood Development, having had under consideration a resolution (which was referred on August 15, 1985) from Alderman Smith calling for acceleration of the City's Urban Homestead Program, begs leave to recommend that Your Honorable Body *Adopt* the said resolution, which is transmitted herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) MIGUEL A. SANTIAGO,
Chairman.

On motion of Alderman Santiago, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schultzer, Volini, Orr -- 44.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, The concept and the actuality of Urban Homesteading comes about when the U.S. Department of Housing and Urban Development repossesses FHA- insured properties, sells them to the City of Chicago, which in turn sells these houses for \$1.00 to qualified buyers through lottery; and

WHEREAS, This program, administered by the City's Department of Housing, has been underway for some time and has generally achieved excellent results, and yet the program has not been instrumental enough in saving our citizens from the crises and problems of most of our abandoned buildings; and

WHEREAS, In 1984, the City of Chicago spent well over \$2.5M to raze almost 900 buildings. Had most of these buildings appeared as part of the Urban Homesteading program, the City would have saved not only this money, but money spent curbing the many problems of these abandoned buildings before they can be torn down. Also, the very appearance of many of our neighborhoods and the quality of life of our citizens would be expanded to include many more buildings which are otherwise detrimental to our communities; now, therefore,

Be It Resolved, That we, the members of the City Council of the City of Chicago, do hereby memorialize the U.S. Department of Housing and Urban Development and the City of Chicago Department of Housing to bring about an acceleration of the City's Urban Homesteading Program, to the extent that all abandoned residential buildings in our City are rehabilitated by our qualified citizens for the improvement of our neighborhoods in particular and the City in general; and

Be It Further Resolved, That a copy of this resolution be presented to the U.S. Department of Housing and Urban Development and to the City of Chicago Department of Housing.

COMMITTEE ON LOCAL TRANSPORTATION.

AUTHORITY GRANTED FOR ESTABLISHMENT OF TAXICAB
STAND NUMBER 563 ON PORTION OF EAST
CHICAGO AVENUE.

The Committee on Local Transportation submitted the following report:

CHICAGO, January 24, 1986.

To the President and Members of the City Council:

Your Committee on Local Transportation, having had under consideration a proposed ordinance (which was referred on December 17, 1985) for the establishment of Taxicab Stand No. 563 on East Chicago Avenue, along the south curb, from a point 15 feet west of the main lobby entrance of the property known as 161 East Chicago Avenue to a point 40 feet west thereof--2 vehicles, begs leave to recommend that Your Honorable Body *Pass* the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 8 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) VITO MARZULLO,
Chairman.

On motion of Alderman Hagopian, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. Pursuant to Section 27-412 of the Municipal Code of Chicago there is hereby established a taxicab stand, to be known by the designated number, for the number of vehicles stated at the following location:

Stand No. 563

On East Chicago Avenue, along the south curb from a point 15 feet west of the main lobby entrance of the property known as 161 East Chicago Avenue to a point 40 feet west thereof -- (2 cabs).

SECTION 2. It shall be unlawful for the operator of any vehicle other than a taxicab to stand or park such vehicle in the space occupied by said taxicab stand, except that the operator of any passenger vehicle may stop temporarily in such space for the purpose of and while actually engaged in the loading or unloading of passengers, as provided by Section 27-326 of the Municipal Code of Chicago.

SECTION 3. Any person violating the provisions of this ordinance shall be subject to the penalty provided for in Section 27-363 of the Municipal Code of Chicago, which provides that "every person convicted of a violation of any of the provisions of this chapter for which no penalty is specifically provided shall be punished by a fine of not more than two hundred dollars for each offense."

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

AUTHORITY GRANTED FOR CONSTRUCTION OF BUS
PASSENGER SHELTER ON WEST IRVING
PARK ROAD AT NORTH
MELVINA AVENUE.

The Committee on Local Transportation submitted the following report:

CHICAGO, January 24, 1986.

To the President and Members of the City Council:

Your Committee on Local Transportation, having had under consideration a proposed order (which was referred on December 30, 1985) authorizing and directing the Committee to memorialize the Chicago Transit Authority to give consideration to the construction of a bus passenger shelter on the southwest corner of West Irving Park Road and North Melvina Avenue (eastbound passengers), begs leave to recommend that Your Honorable Body *Pass* the said proposed order, which is transmitted herewith.

This recommendation was concurred in by 8 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) VITO MARZULLO,
Chairman.

On motion of Alderman Hagopian, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

The following is said order as passed:

Ordered, That the Committee on Local Transportation is hereby authorized and directed to memorialize the Chicago Transit Authority to give consideration to the construction of a bus passenger shelter on Irving Park Road at Melvina Avenue, southwest (for eastbound passengers).

AUTHORITY GRANTED FOR INSTALLATION OF BUS PASSENGER
SHELTER AT INTERSECTION OF STATE STREET AND
ONTARIO STREET.

The Committee on Local Transportation submitted the following report:

CHICAGO, January 24, 1986.

To the President and Members of the City Council:

Your Committee on Local Transportation, having had under consideration a proposed order (which was referred on December 4, 1985) authorizing and directing the committee to memorialize the Chicago Transit Authority to give consideration to the installation of a bus passenger shelter on the northwest corner of North State Street and West Ontario Street (southbound passengers), begs leave to recommend that Your Honorable Body *Pass* the said proposed order, which is transmitted herewith.

This recommendation was concurred in by 8 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) VITO MARZULLO,
Chairman.

On motion of Alderman Hagopian, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following is said order as passed:

Ordered, That the Committee on Local Transportation is hereby authorized and directed to memorialize the Chicago Transit Authority to give consideration to the installation of a bus passenger shelter on the northwest corner of State Street and Ontario Street, southbound.

AUTHORITY GRANTED TO MAINTAIN AND OPERATE
MOTORBUS ROUTE ON SPECIFIED
PUBLIC WAYS.

The Committee on Local Transportation submitted two proposed ordinances (under separate committee reports) recommending that the City Council pass said proposed ordinances transmitted therewith, authorizing the Chicago Transit Authority to install motorbus routes on specified public ways.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

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

West 76th Street.

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

SECTION 1. That consent and permission of the City of Chicago are hereby given to the Chicago Transit Authority, a municipal corporation, created by the laws of the State of Illinois, to install, maintain and operate a motorbus route on West 76th Street between South Racine Avenue and South Loomis Boulevard as part of Chicago Transit Authority's bus route, authorized by the ordinance granted to Chicago Transit Authority, passed by the City Council of the City of Chicago, on April 23, 1945, as amended.

SECTION 2. The consent and permission granted by this ordinance shall continue in force and effect for the same term and co-extensive with the term specified in Section 2,

Paragraph B, of the Chicago Transit Authority ordinance, passed by the City Council of the City of Chicago on April 23, 1945, as amended.

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

South Loomis Boulevard.

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

SECTION 1. That consent and permission of the City of Chicago are hereby given to Chicago Transit Authority, a municipal corporation, created by the laws of the State of Illinois, to install, maintain and operate a motorbus route on South Loomis Boulevard between W. 76th Street and W. 74th Street as part of Chicago Transit Authority's bus route, authorized by the ordinance granted to Chicago Transit Authority, passed by the City Council of the City of Chicago, on April 23, 1945, as amended.

SECTION 2. The consent and permission granted by this ordinance shall continue in force and effect for the same term and co-extensive with the term specified in Section 2, Paragraph B, of the Chicago Transit Authority ordinance, passed by the City Council of the City of Chicago on April 23, 1945, as amended.

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

**AUTHORITY GRANTED TO ISSUE NECESSARY PERMITS TO WEISS
MEMORIAL HOSPITAL FOR CONSTRUCTION AND MAINTENANCE
OF BUS PASSENGER SHELTERS.**

The Committee on Local Transportation submitted the following report:

CHICAGO, January 24, 1986.

To the President and Members of the City Council:

Your Committee on Local Transportation, having had under consideration a proposed order (which was referred on December 4, 1985) for the issuance of permits to Weiss Memorial Hospital, 4600 North Marine Drive, for the construction and maintenance of bus passenger shelters within the public right-of-way for north and southbound passengers at approximately 4646 North Marine Drive, subject to approved plans by the Department of Streets and Sanitation, on the condition that Weiss Memorial Hospital shall hold the City harmless from property damage or personal injuries, begs leave to recommend that Your Honorable Body Pass the said proposed order which is transmitted herewith.

This recommendation was concurred in by 8 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) VITO MARZULLO,
Chairman.

On motion of Alderman Hagopian, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

The following is said order as passed:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to the Louis A. Weiss Memorial Hospital, 4646 North Marine Drive, for the construction of bus passenger shelters for north and southbound traffic in the 4600 block of North Marine Drive (in proximity of Weiss Memorial Hospital, said shelters to be maintained by said Hospital.

CHICAGO TRANSIT AUTHORITY URGED TO CONSTRUCT
BUS PASSENGER SHELTER ON WEST WARREN
BOULEVARD AND NORTH CALIFORNIA
BOULEVARD.

The Committee on Local Transportation submitted the following report:

CHICAGO, January 24, 1986.

To the President and Members of the City Council:

Your Committee on Local Transportation, having had under consideration a proposed order (which was referred on December 17, 1985) authorizing and directing the committee to memorialize the Chicago Transit Authority to give consideration to the installation of a bus passenger shelter on the southeast corner of West Warren Boulevard and North California Boulevard (northbound passengers), begs leave to recommend that Your Honorable Body *Pass* the said proposed order, which is transmitted herewith.

This recommendation was concurred in by 8 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) VITO MARZULLO,
Chairman.

On motion of Alderman Hagopian, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following is said order as passed:

Ordered, That the Committee on Local Transportation is hereby authorized and directed to memorialize the Chicago Transit Authority to give consideration to the installation of a bus passenger shelter for northbound traffic at the intersection of West Warren Boulevard and North California Boulevard in the 2700 block.

COMMITTEE ON ZONING.

CHICAGO ZONING ORDINANCE AMENDED TO RECLASSIFY PARTICULAR AREAS.

The Committee on Zoning submitted the following report:

CHICAGO, January 28, 1986.

To the President and Members of the City Council:

Your Committee on Zoning begs leave to recommend that Your Honorable Body *Pass* the proposed ordinances transmitted herewith (referred to your committee on June 12, August 7, 15, September 24, October 9, 17, November 6, 13, 20, December 4, 17 and 23, 1986) to amend the Chicago Zoning Ordinance for the purpose of reclassifying particular areas.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

(Signed) EDWARD R. VRDOLYAK,
Vice-Chairman.

On motion of Alderman Gabinski, the committee's recommendation was *Concurred In* and each of the said proposed ordinances was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

The following are said ordinances as passed (the italic heading in each case not being a part of the ordinance):

Reclassification of Area Shown on Map No. 1-E.

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

SECTION 1. That the Chicago Zoning Ordinance, Chapter 194A of the Municipal Code of Chicago, be, and is hereby amended by supplementing all the B6-7 Restricted Central Business District symbols and indications as shown on Map 1-E to reflect the establishment of a Communications Planned Development for the erection of an earth station receiving dish located on the roof structure and on the same lot as the existing structure located at 350 North Michigan Avenue, Chicago Illinois.

SECTION 2. This Communications Planned Development is specifically for the erection of the earth station receiving dish above described and in no way affects, alters or prejudices the existing zoning district regulations applicable to any other improved or unimproved portions of the above described area.

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

Reclassification of Area Shown on Map No. 1-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B7-7 General Central Business District symbols and indications as shown on Map No. 1-F in the area bounded by

West Lake Street; a line 160.73 feet east of and parallel to North Dearborn Street; West Couch Place (a line 181.41 feet south of and parallel to West Lake Street); and North Dearborn Street,

to those of a Business Planned Development District and a corresponding use district is hereby established in the area above described.

[Business Planned Development printed on pages 26751 through 26757 of this Journal.]

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

Reclassification of Area Shown on Map Nos. 1-F and 2-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended with respect to Residential-Business Planned Development No. 233 as shown on Map Nos. 1-F and 2-F in the area bounded by

West Washington Street; North Desplaines Street; West Madison Street; North Clinton Street; West Monroe Street; and the east line of the right-of-way of the Kennedy Expressway,

which had been established in the area above described (C.J.P. p. 3368, June 27, 1980) by changing the use and bulk regulations as are set forth in the Plan of Development herewith attached and made a part thereof.

[Residential-Business Planned Development
printed on pages 26758 through
26763 of this Journal.]

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

Applicant:
Tremont Theatre Row Partnership
c/o Stein & Company
208 South La Salle Street
Suite 1630
Chicago, Illinois 60602

BUSINESS PLANNED DEVELOPMENT
PLAN OF DEVELOPMENT

1. Legal title to that certain real property which is subject to the use and bulk restrictions of Business Planned Development No. _____, which property is legally described on the exhibit attached hereto and made part hereof (the "Property"), is held by Northwestern University, an Illinois Corporation, the contract-seller of the Property.

All required disclosures are contained within the Economic Disclosure Statement filed with the City of Chicago in accordance with applicable requirements. American National Bank and Trust Company of Chicago, as Trustee under Trust No. 63436 is the contract-purchaser of the Property. The sole beneficiary of said trust is the applicant, Tremont Theatre Row Partnership. Upon acquisition, the Property, will be held under single-ownership or control or under single designated control by said Trust, its beneficiaries or by Tremont Theatre Row Partnership, its affiliates, successors, or assigns.

2. This Plan of Development shall be contingent upon the execution of that certain "Redevelopment Agreement - North Loop - Tremont Garage" (The "Redevelopment Agreement") by and between the City of Chicago and the Tremont Theatre Row Partnership.

3. Retail and non-accessory off-street parking uses and such uses as are currently authorized as permitted or special uses by the terms of the Chicago Zoning Ordinance in the B7-7 Zoning District (as described in Sections 8.3-7(B) and 8.4-7 and associated sections referred to therein) shall be permitted upon the Property, including the operation of radio or television towers and/or earth station receiving dishes; provided, however, that the operation of said uses shall be in accordance with the provisions of the Redevelopment Agreement.

4. The applicant, its affiliates, successors, assigns or grantees shall obtain all official reviews, approval and permits necessary to implement the development of the Property.

5. Any dedication or vacation of streets or alleys or easements or any adjustment of rights-of-way necessary to implement development of the Property shall require a separate submittal on behalf of the applicant, its successors, assigns or grantees, and approval by the City Council.

6. Accessory off-street parking and accessory off-street loading shall not be required upon the Property.

7. Any firelane, service drive or other ingress or egress shall be adequately designed and paved in accordance with the regulations of the Department of Streets and Sanitation and in compliance with the Municipal Code of Chicago to provide ingress and egress for motor vehicles, including emergency vehicles. There shall be no parking within such paved areas.

8. The height of each building located upon the Property and any appurtenances attached thereto shall be subject to:

- (a) Height limitations as certified on Form FAA-177 (or on successor forms involving the same subject matter) and approved by the Federal Aviation Administration pursuant to Part 77 of the Regulations of the Administrator, Federal Aviation Administration; and
- (b) Airport Zoning Regulations as established by the Department of Development and Planning, Department of Aviation, and Department of Law and approved by the City Council.

9. Business and business identification signs may be permitted upon the Property subject to the review and approval of the Department of Planning and of the Department of Inspectional Services. Temporary signs, such as construction and marketing signs, may be permitted subject to the aforesaid approvals. Sign advertising products or services which products or services are not located upon the Property shall not be permitted. Signs described by Chapter 86, Section 86.1-11 of the Chicago Municipal Code shall require City Council approval in the manner described therein.

10. The development of the Property shall be subject to the Bulk Regulations Data attached hereto and made part of this Plan of Development.

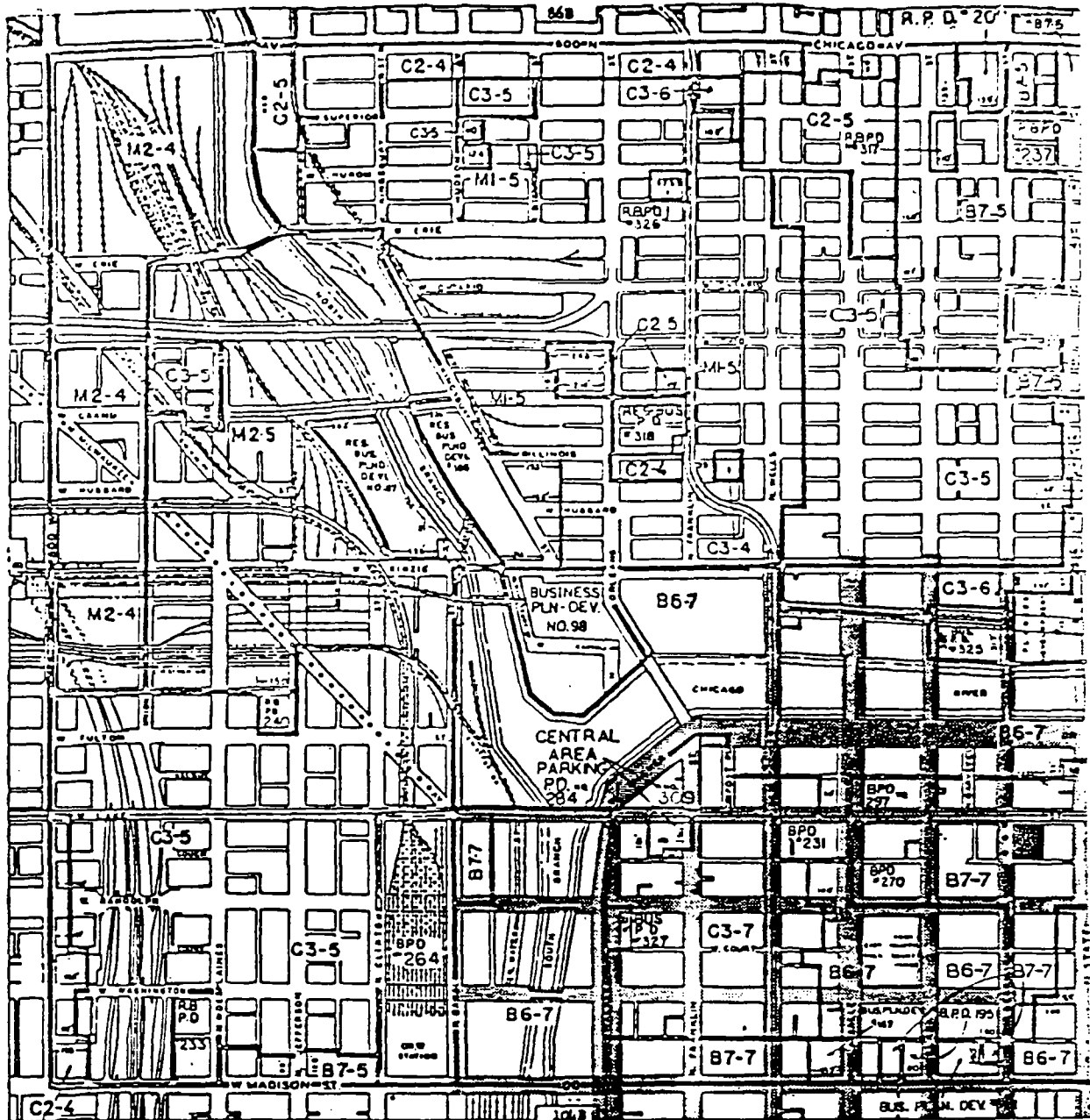
11. This Plan of Development and the development of the Property is and shall be subject to the "Rules, Regulations and

2/4/86

REPORTS OF COMMITTEES

26753

Procedures in Relation to Planned Developments" promulgated by the Commissioner of the Department of Development and Planning.



LEGEND



PREFERRED STREETS



PLANNED DEVELOPMENT

APPLICANT:

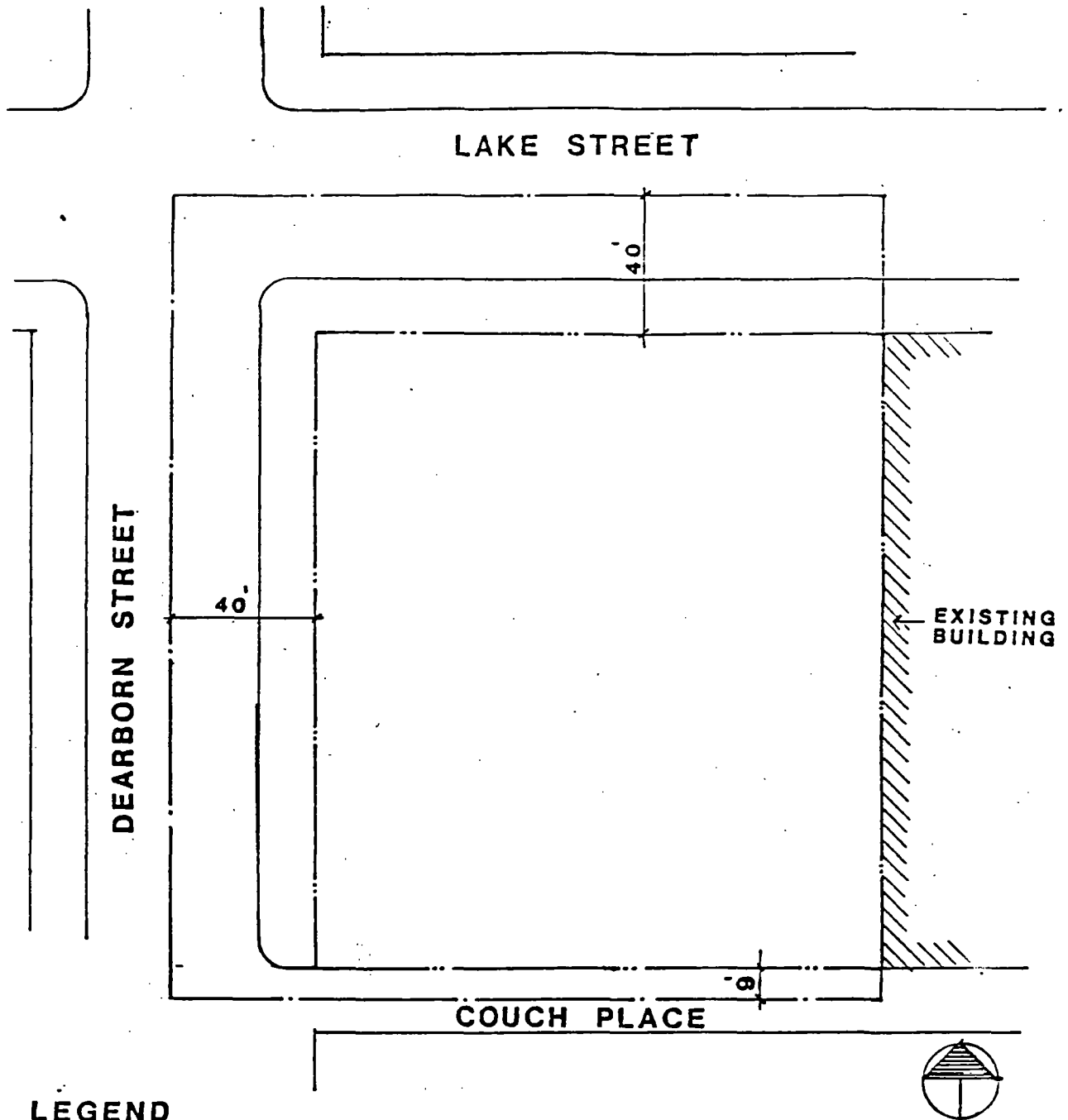
TREMONT THEATRE ROW PARTNERSHIP
208 South La Salle, Chicago, Illinois

ADDRESS:

DATE:

November 19, 1985

BOUNDARY AND PROPERTY LINE MAP



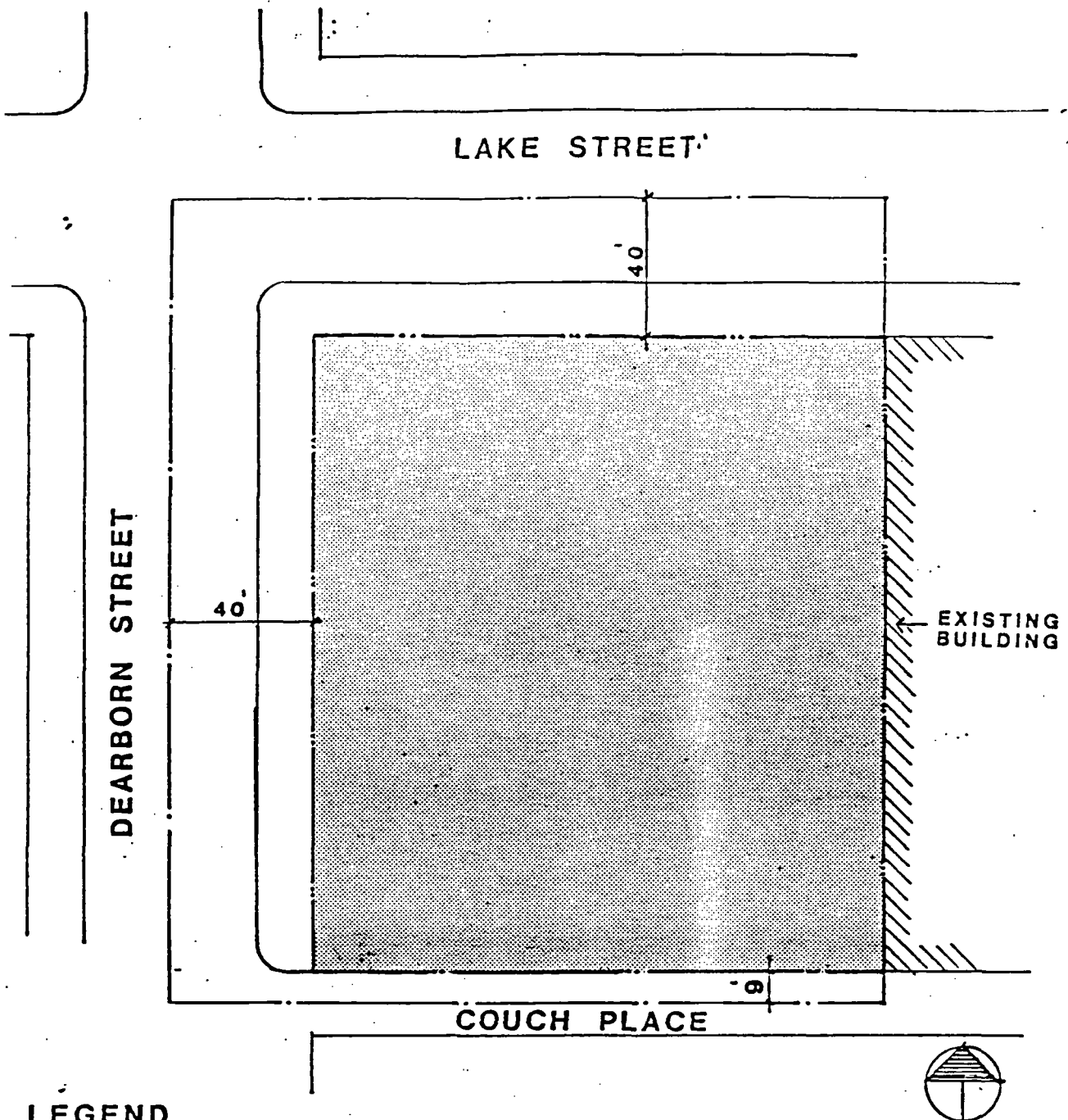
LEGEND

- PROPERTY LINE
- PLANNED DEVELOPMENT BOUNDARY (including right-of-way adjustment)

APPLICANT: TREMONT THEATRE ROW PARTNERSHIP
ADDRESS: 208 South La Salle, Chicago, Illinois

DATE:
November 19, 1985

GENERALIZED LAND USE PLAN



LEGEND

PROPERTY LINE

PLANNED DEVELOPMENT BOUNDARY (including right-of-way adjustment)

Retail, non-accessory parking and such other uses permitted by the Plan of Development

APPLICANT:

TREMONT THEATRE ROW PARTNERSHIP

ADDRESS:

208 South La Salle, Chicago, Illinois

DATE:

November 19, 1985

PLANNED BUSINESS DEVELOPMENT BULK REGULATIONS DATA

for that certain property located generally between West Lake Street, North Dearborn Street and West Couch Place in Chicago, Illinois

Net Site Area:	29,120.20 square feet (.668 acres)
Permitted Uses:	Retail uses, non-accessory off-street parking uses and such uses as are currently permitted or special uses within the B7-7 Zoning District (including the operation of radio or television towers and/or earth station receiving dishes); provided, however, the operation of such uses shall be in accordance with the provisions of the Redevelopment Agreement
Maximum Floor Area Ratio:	16.0
Maximum Percentage of Site Coverage:	100%
Minimum number of off-street parking spaces:	-Garage: 900 (non-accessory only) -Retail & other uses (other than parking garage): None
Minimum number of loading berths:	None
Minimum Setbacks:	Zero feet
Maximum Floor Area devoted to retail use and other uses (other than parking garage):	12,000 square feet
Gross Site Area Calculations:	
Net Site Area	29,120.20 square feet
Approximate Area to Remain in Public Right-of-Way (West Lake Street, North Dearborn Street and West Couch Place)	<u>17,090.55 square feet</u>
Approximate Gross Site Area	46,210.75 square feet

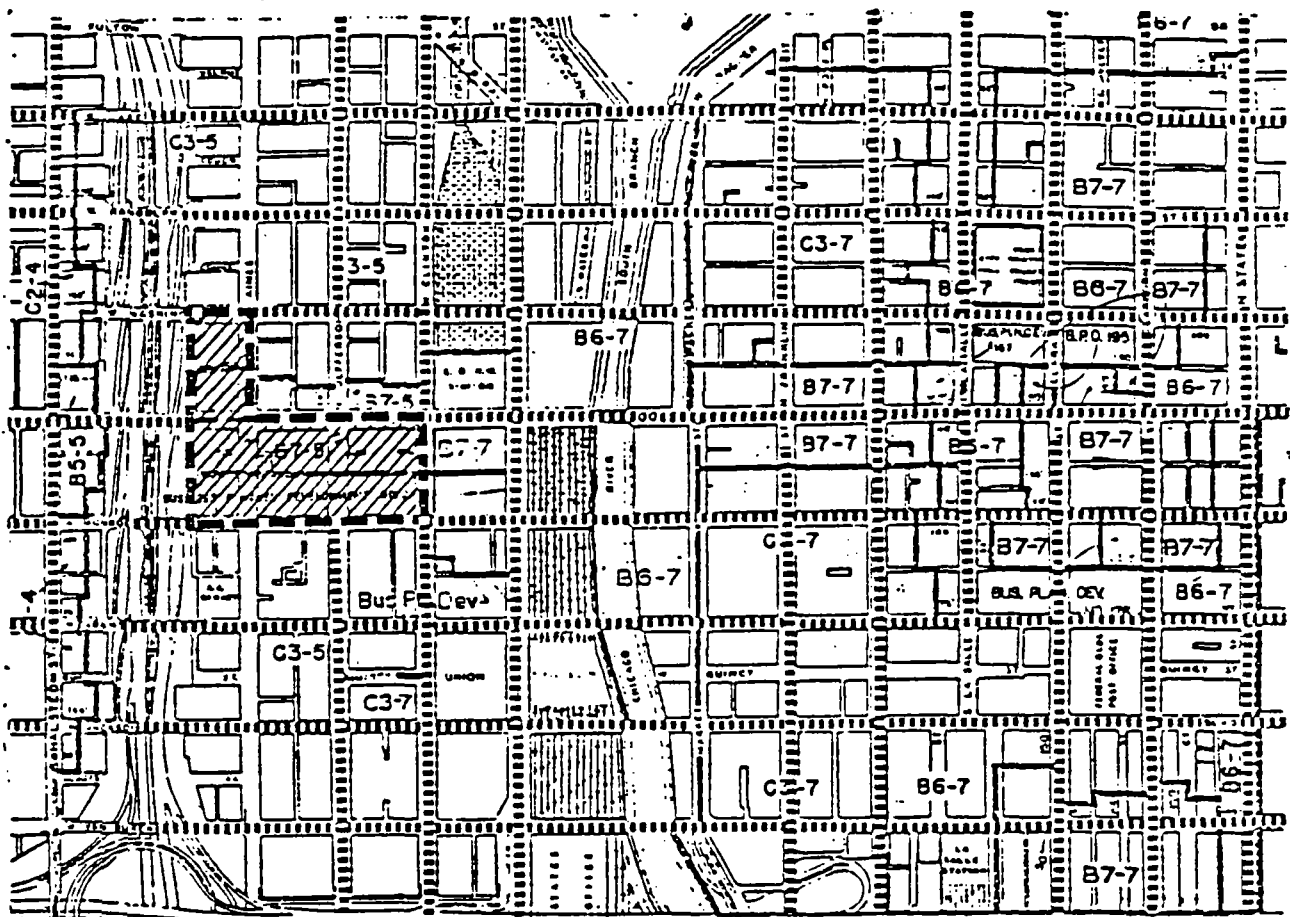
RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT No. 233PLAN OF DEVELOPMENTSTATEMENTS




1. The area delineated herein as "Residential-Business Planned Development No. 233" is controlled by the City of Chicago, Department of Urban Renewal, since it lies in the Madison-Canal/Presidential Towers Redevelopment Project Area.
2. All applicable reviews, approvals or permits are required to be obtained by the redeveloper or its successor.
3. The following shall be permitted within the area delineated herein as "Residential-Business Planned Development": elevator apartment structures and related residential uses, related private health and recreational uses, including an outdoor swimming pool and landscaped decks, general service business uses, general commercial uses in the area bounded by Washington Street, DesPlaines Street, Warren Avenue and the Kennedy Expressway (Sub Area A), and off-street parking and loading facilities.
4. Off-street parking and off-street loading facilities shall be provided in compliance with this Plan of Development, subject to the review of the Bureau of Traffic Engineering and Operations and the approval of the Department of Planning.
5. Any dedication of streets or alleys or adjustments of the rights-of-way or consolidation or resubdivision of parcels shall require a separate submittal on behalf of the Department of Urban Renewal or its successors and approval of the Chicago City Council.
6. Any service drive or other ingress or egress shall be adequately designed and paved in accordance with the regulations of the Bureau of Traffic Engineering and Operations and in compliance with the Municipal Code of Chicago to provide ingress and egress for motor vehicles, including emergency vehicles. There shall be no parking within such paved areas. Fire lanes shall be adequately designed and paved in compliance with the Municipal Code of Chicago and shall have a minimum width of 20 feet to provide ingress and egress for emergency vehicles with no parking allowed within such paved areas.
7. Business and business identification signs may be permitted within the area delineated herein as "Residential-Business Planned Development" subject to the review and approval of the Department of Inspectional Services and the Department of Planning. No advertising signs shall be permitted.

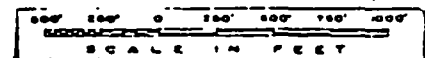
8. The height restriction of any building or any appurtenance attached thereto shall be subject to:
 - a. height limitations as certified on for FAA-117, or successor forms involving the same subject matter, and approved by the Federal Aviation Administration; and
 - b. airport zoning regulations as established by the Department of Planning, the Department of Aviation and the Department of Law, as approved by the City Council.
9. The information in the table attached hereto sets forth data concerning the generalized land use plan of the area delineated herein as "Residential-Business Planned Development No. 233" and illustrates that the development of such area will be in accordance with the intent and purpose of the Chicago Zoning Ordinance.
10. The Plan of Development shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Developments" as promulgated by the Commissioner of the Department of Planning.

APPLICANT: DEPARTMENT OF URBAN RENEWAL

DATE: November 12, 1985

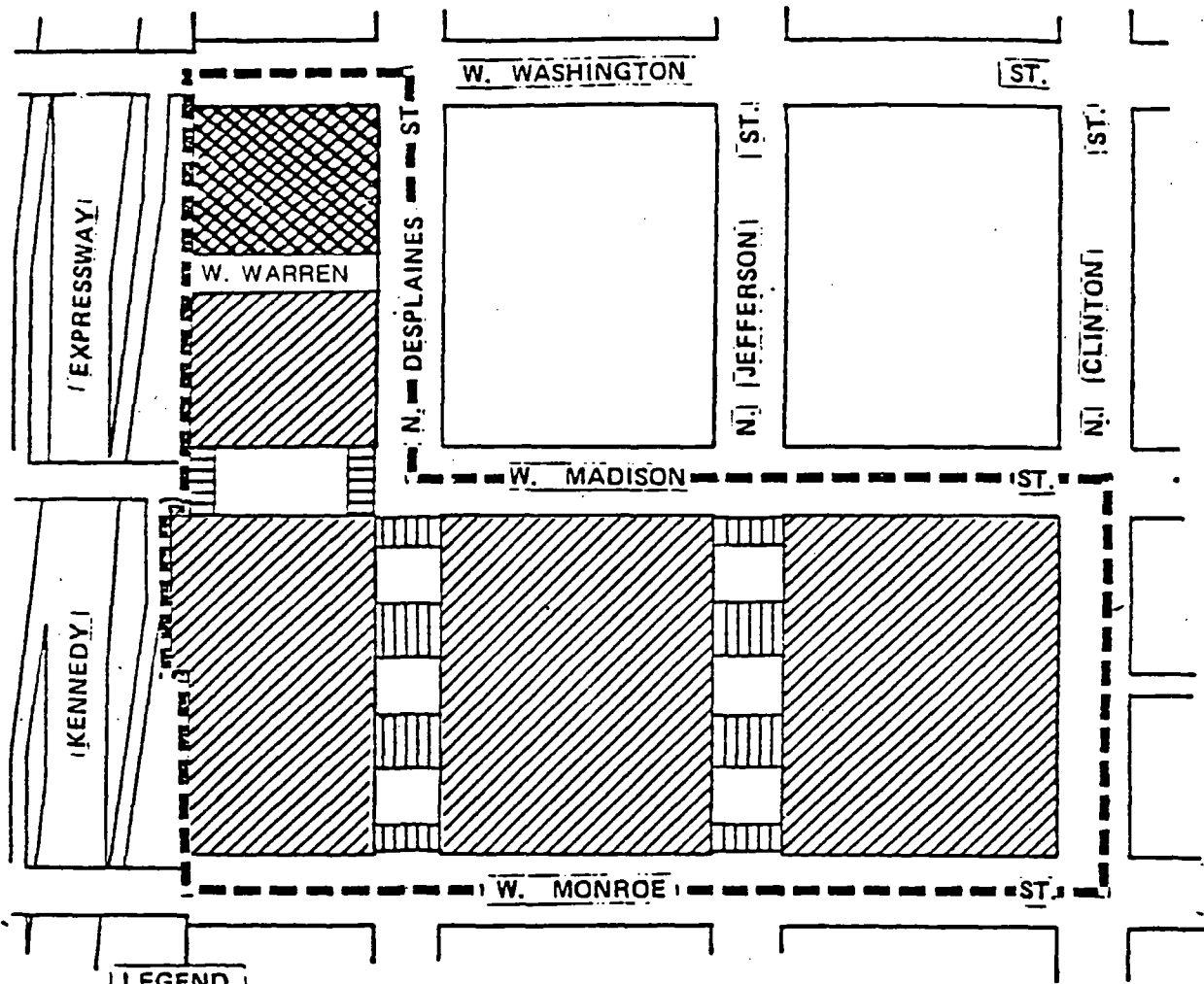
RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT NO. 233EXISTING ZONING AND PREFERENTIAL STREET MAP**LEGEND**

-  RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT
-  ZONING DISTRICT BOUNDARIES
-  PREFERENTIAL STREETS







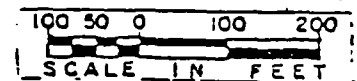
APPLICANT: THE DEPARTMENT OF URBAN RENEWAL
DATE: November 12, 1985

RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT, NO. 233
GENERALIZED LAND USE



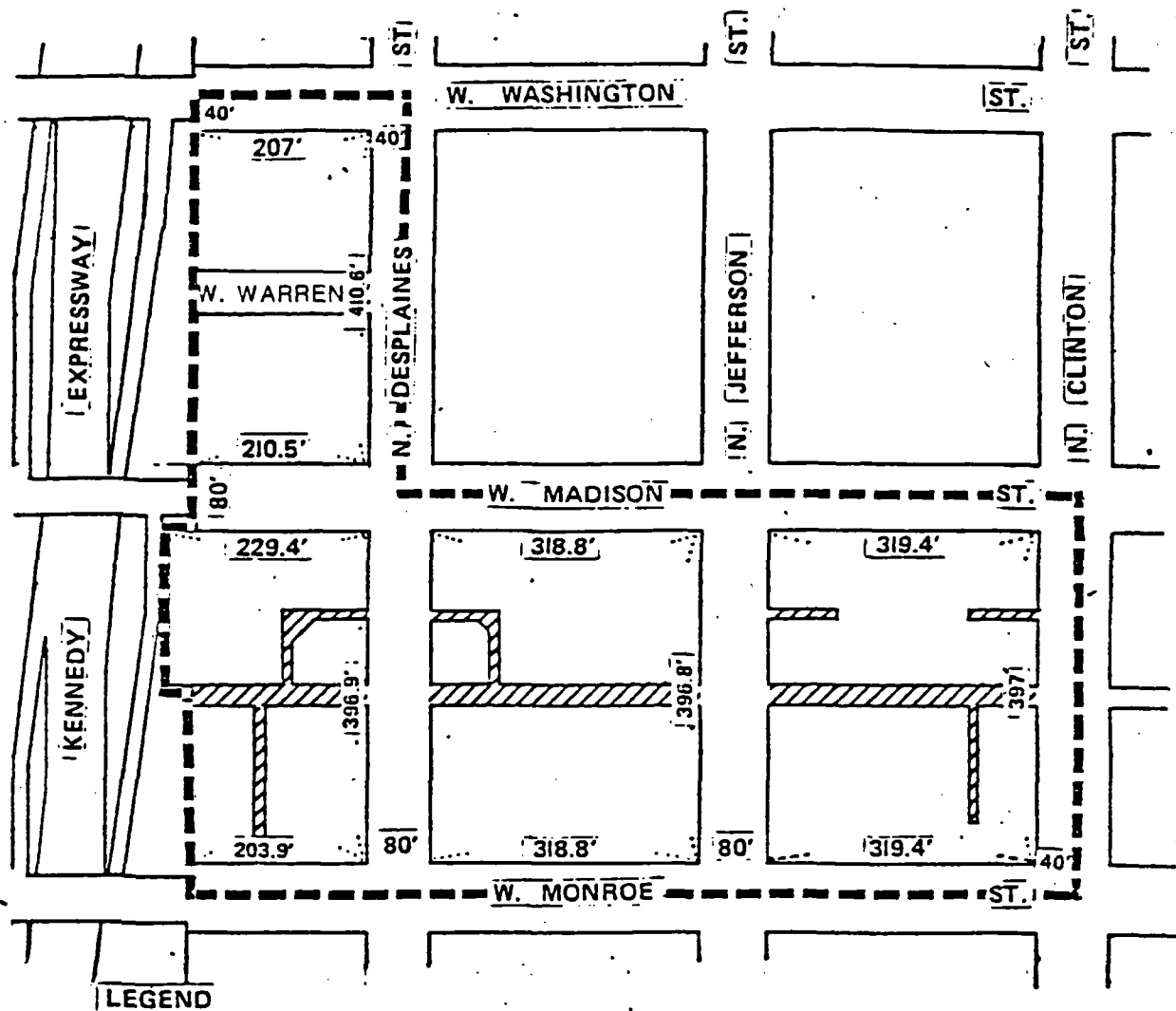
LEGEND

-  PLANNED DEVELOPMENT BOUNDARY
-  ELEVATOR APARTMENT STRUCTURES AND RELATED RESIDENTIAL USES AND RECREATIONAL USES, PRIVATE HEALTH CLUB, ARBORETUM, SWIMMING POOLS, BUSINESS USES AND OFF STREET PARKING AND LOADING
-  PROPOSED PEDESTRIAN OVERPASS
-  SUB AREA A: GENERAL COMMERCIAL USES



APPLICANT: THE DEPARTMENT OF URBAN RENEWAL
 DATE: November 12 1985

RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT
PROPERTY LINE MAP AND RIGHT-OF-WAY ADJUSTMENT



APPLICANT: THE DEPARTMENT OF URBAN RENEWAL
DATE: November 12, 1985



RESIDENTIAL-BUSINESS PLANNED DEVELOPMENT NO. 233
USE AND BULK REGULATIONS AND DATA*

Ground Level		Permitted Land Use General Description	Maximum F.A.R.	Maximum No. of D.U.	Maximum % of Coverage Net Site Area
Net Site Area Sq. Ft.	Acres				
425,298.2	9.76	Elevator apartment structures and related residential uses and recreational uses, private health - club, landscaped deck, swimming pool, business uses, commercial uses in Sub Area A, off- street parking and loading.	7.0	3,314	Below Plaza Level: 100% Above Plaza Level: 40%

Net Site Area + Area of Public Rights-of-Way = Gross Site Area
9.76 Acres + 4.04 Acres = 13.80 Acres

Maximum Number of Dwelling Units: 3,314

Maximum Percentage of Efficiency Units: 40%

Maximum Number of Square Feet Devoted to Business Uses: 117,000 Sq. Ft.

Maximum Number of Square Feet Devoted to Commercial Uses: 170,000 Sq. Ft.
(Sub Area A)

Business uses shall be limited to those permitted in a B5 General Service District and shall be permitted at or below the plaza level only, except in Sub Area A.

Minimum Number of Off-Street Parking Spaces: 1,325;
Additional Spaces provided in (Sub Area A) 81
Off-street parking shall be enclosed.

Minimum number of off-street loading docks, except Sub Area A, in accord with the R7 General Residence District provisions of the Chicago Zoning Ordinance. (Sixteen (16) including commercial loading docks; Sub Area A: Additional 2 Loading Docks)

Minimum distance between principal structures above plaza level: 50 Feet

Minimum Setbacks - Ground Level: 0 Feet

Minimum Setbacks - Plaza Level: 0 Feet

Setbacks may be adjusted when necessary because of technical reasons, subject to the approval of the Department of Planning.

Pedestrian overpasses may be permitted at the plaza level, subject to the approval of the City Council.

* Compliance with regulations is to be determined on completion of development of Planned Unit Development and not in an interim or phase by phase basis.

APPLICANT: DEPARTMENT OF URBAN RENEWAL

Reclassification of Area Shown on Map No. 1-H.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R-3 General Residence District symbols and indications as shown on Map No. 1-H in the area bounded by

West Race Avenue; North Damen Avenue; the alley next South of West Race Avenue; and a line 48 feet West of North Damen Avenue,

to those of a C-1 General Commercial District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 4-J.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-2 Restricted Service District and C1-2 Restricted Commercial District symbols and indications as shown on Map No. 4-J in the area bounded by

a line 299.5 feet north of West 14th Street; the alley next east of North Pulaski Avenue; West 14th Street; a line 124 feet east of South Pulaski Avenue; the alley next south of West 14th street; and South Pulaski Avenue,

to those of an R4 General Residence District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 5-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-4 Restricted Service District symbols and indications as shown on Map No. 5-F in the area bounded by

North Lincoln Avenue; a line 166 feet east of North Cleveland Avenue; the alley next southwest of North Lincoln Avenue; and North Cleveland Avenue,

to those of an R4 General Residence District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 5-J.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R3 General Residence District symbols and indications as shown on Map No. 5-J in the area bounded by

a line 128 feet north of and parallel to West Cortland Street; a line 119.11 feet east of and parallel to North Spaulding Avenue; West Cortland Street; and North Spaulding Avenue,

to those of an R4 General Residence District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 6-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R4 General Residence District symbols and indications as shown on Map No. 6-F in the area bounded by

a line 47 feet 6 5/8 inches north of and parallel to West 23rd Street; a line 125 feet 6 inches west of and parallel to South Wentworth Avenue; West 23rd Street; and a line 150 feet 6 inches west of and parallel to South Wentworth Avenue,

to those of a B4-3 Restricted Service District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 7-G.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the C1-2 Restricted Commercial District symbols and indications as shown on Map No. 7-G in the area bounded by

West Altgeld Street; North Sheffield Avenue; a line 74.0 feet south of and parallel to West Altgeld Street; and public alley next west of and parallel to North Sheffield Avenue,

to those of an R4 General Residence District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 8-E.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R3 General Residence District symbols and indications as shown on Map No. 8-E in the area bounded by

a line 104.04 feet north of and parallel to East 32nd Street; South Giles Avenue; East 32nd Street; and the alley next west of and parallel to South Giles Avenue,

to those of an R4 General Residence District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 8-G.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 8-G in the area bounded by

West 32nd Place; South Throop Street; and South Benson Street,
to those of an R3 General Residence District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 10-I.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R3 General Residence District symbols and indications as shown on Map No. 10-I in the area bounded by

a line 540 feet south of and parallel to West 40th Place; South Richmond Avenue; a line 567 feet south of and parallel to West 40th Place; and the alley next west of and parallel to South Richmond Avenue,

to those of a B4-3 Restricted Service District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 16-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R4 General Residence District symbols and indications as shown on Map No. 16-F in the area bounded by

South Stewart Avenue on the west; a line 50 feet south of East 63rd Street on the north; a line 118 feet east of South Stewart Avenue, a line 150 feet south of West 63rd Street, and a line 170 feet east of and parallel to South Stewart Avenue on the east; and the north boundary of the C.T.A. right-of-way on the south,

to that of a B4-2 Restricted Service District, is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 16-G.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R3 General Residence District symbols and indications as shown on Map No. 16-G in the area bounded by

West Marquette Road; South Racine Avenue; a line 272.23 feet south of and parallel to West Marquette Road; the alley next west of and parallel to South Racine Avenue; a line 297.28 feet south and parallel to West Marquette Road; and South Elizabeth Street,

to those of an Institutional Planned Development District, and a corresponding use district is hereby established in the area above described.

[Institutional Planned Development printed on pages
26769 through 26774 of this Journal.]

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

Reclassification of Area Shown on Map Nos. 16-H and 16-I.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B2-2 Restricted Retail District symbols and indications as shown on Map Nos. 16-H and 16-I in area bounded by

a line 25 feet south of West 66th Street; the alley next east of and parallel to South Western Avenue; a line 249 feet south of West 66th Street; South Claremont Avenue; a line 394 feet south of West 66th Street; the alley next east of and parallel to South Western Avenue; a line 419 feet south of West 66th Street; South Western Avenue; the alley next north of and parallel to West Marquette Road; the alley next west of and parallel to South Western Avenue; a line 53.13 feet south of West 66th Street; and South Western Avenue,

to those of a C2-2 General Commercial District, and a corresponding use district is hereby established in the area above described.

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

INSTITUTIONAL PLANNED DEVELOPMENT

STATEMENTS

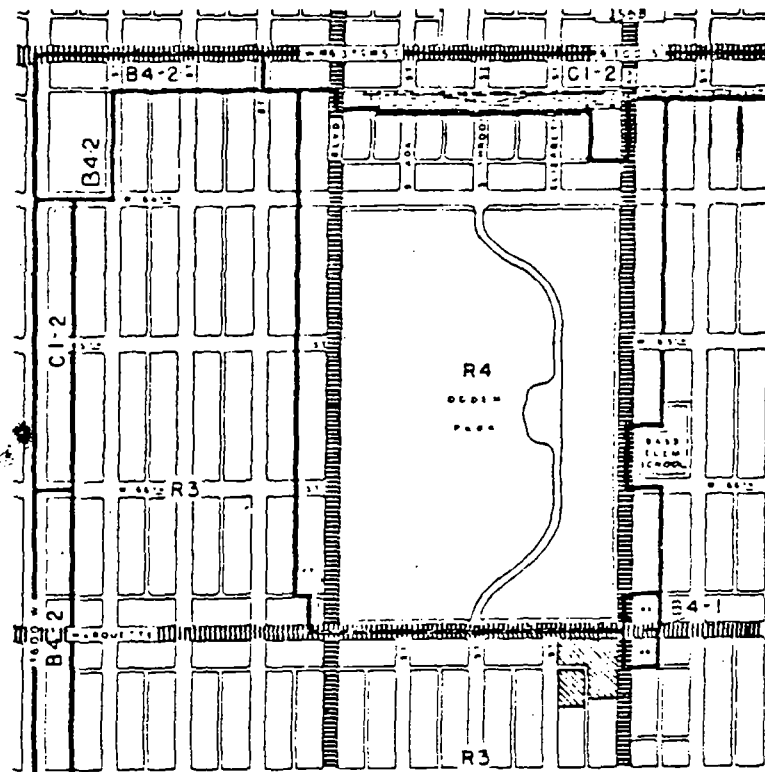
1. The area delineated hereon as "Institutional Planned Development" is owned or controlled by The Catholic Bishop of Chicago.
2. Off-street parking facilities shall be provided in compliance with this Plan of Development, subject to the review of the Department of Streets and Sanitation and the approval of the Department of Planning.
3. Off-street loading facilities shall be provided in compliance with this Plan of Development, subject to the review of the Department of Streets and Sanitation and the approval of the Department of Planning.
4. All applicable official reviews, approvals or permits are required to be obtained by The Catholic Bishop of Chicago.
5. Any dedication or vacation of streets and alleys or easements, or adjustments of right-of-way or consolidation or resubdivision of parcels shall require a separate submittal on behalf of The Catholic Bishop of Chicago and approval by the City Council.
6. Any service drives or any other ingress or egress shall be adequately designed and paved in accord with the regulations of the Department of Streets and Sanitation and in compliance with the Municipal Code of Chicago, to provide ingress and egress for motor vehicles, including emergency vehicles; there shall be no parking within such paved areas. Fire lanes shall be adequately designed and paved in compliance with the Municipal Code of Chicago and shall have a minimum width of 20 feet to provide ingress and egress for emergency vehicles. There shall be no parking within such paved areas.
7. The following uses shall be permitted within the area delineated hereon as "Institutional Planned Development": convent, community church and senior adult center, religious institution and related recreational facilities, one elevator apartment building for elderly housing, and related off-street parking.
8. Identification signs may be permitted within the area delineated hereon as Institutional Planned Development, subject to the review and approval of the Commissioner of the Department of Planning.
9. The information in the Table attached hereto sets forth data concerning the generalized land use plan of the area delineated herein as "Institutional Planned Development" and illustrates that the development of said property will be in accordance with the intent and purpose of the Chicago Zoning Ordinance.



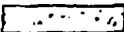

10. The Plan of Development hereby attached shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Development," as adopted by the Commissioner of the Department of Planning.

APPLICANT: The Catholic Bishop of Chicago

DATE:

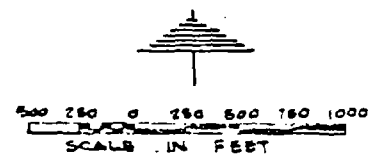
INSTITUTIONAL PLANNED DEVELOPMENT
EXISTING ZONING & PREFERENTIAL STREET SYSTEM



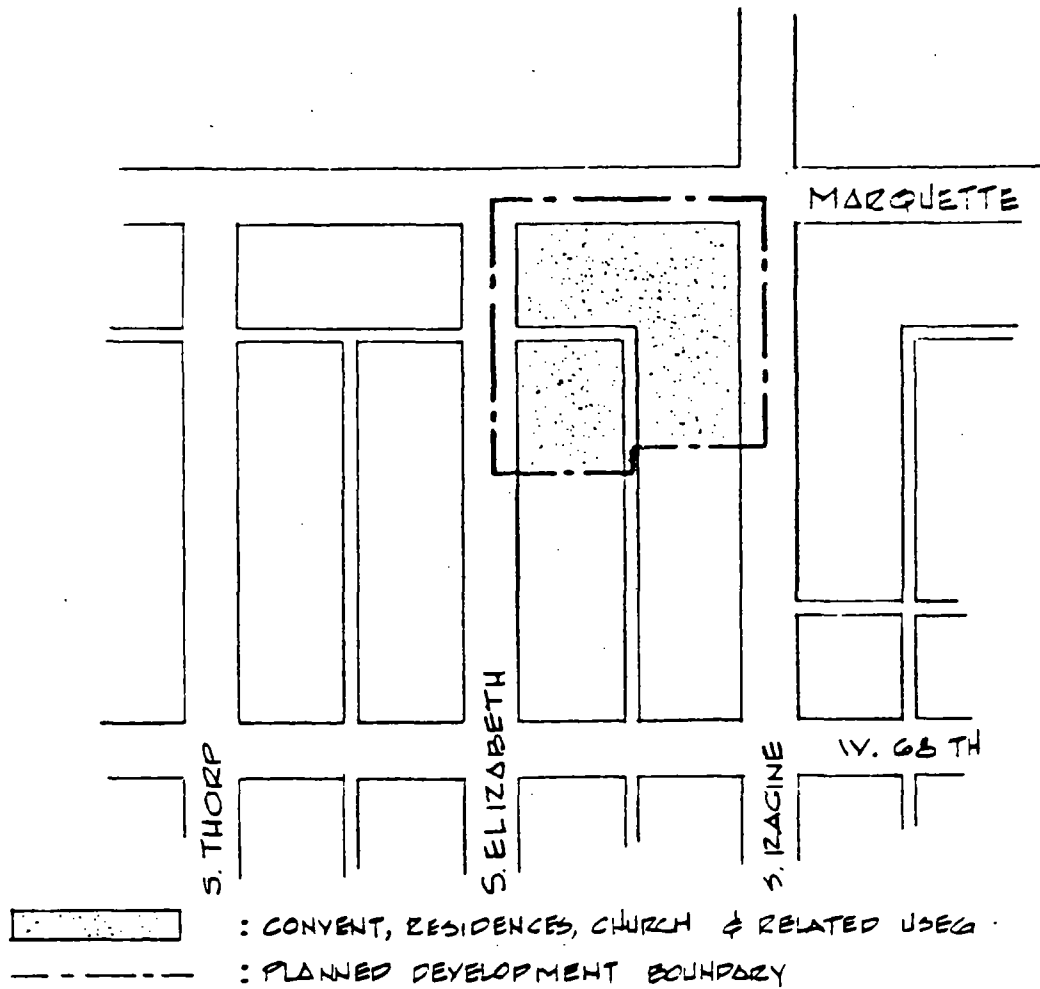
-  : PROPOSED PLANNED DEVELOPMENT
-  : ZONING DISTRICT BOUNDARY
-  : PUBLIC & QUASI PUBLIC FACILITIES
-  : PREFERENTIAL STREETS

APPLICANT : THE CATHOLIC BISHOP OF CHICAGO

DATE : October 22, 1985



INSTITUTIONAL PLANNED DEVELOPMENT
GENERALIZED LAND USE PLAN



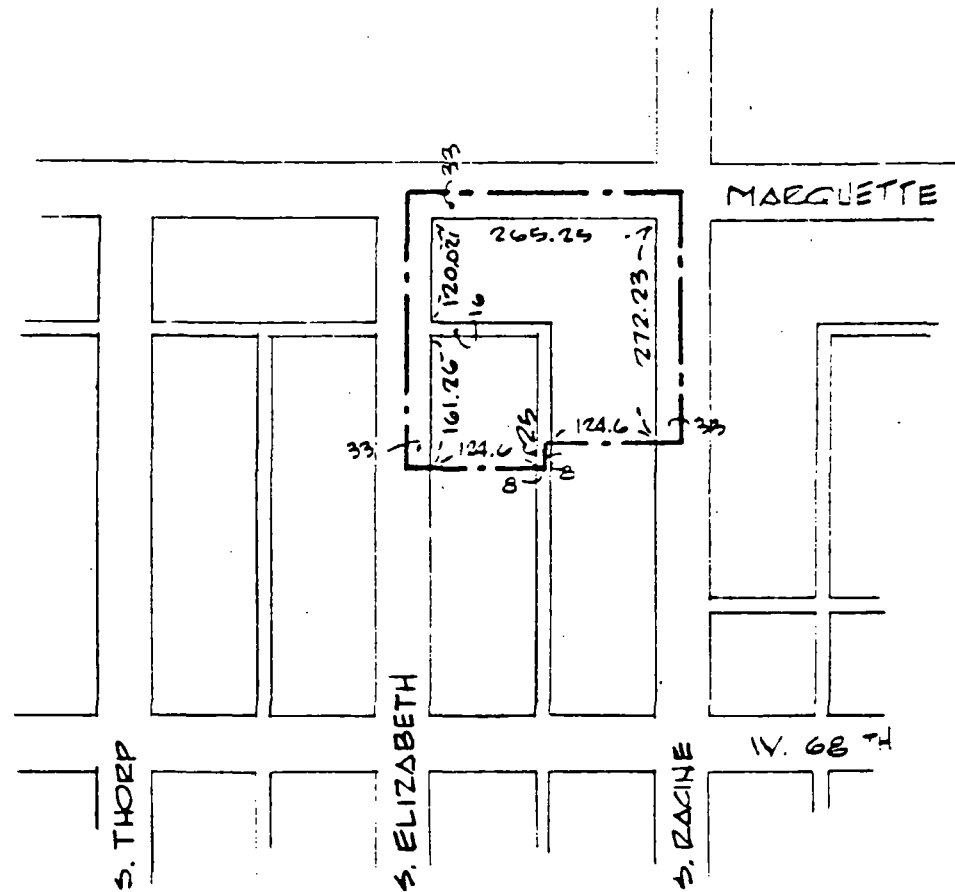
APPLICANT : THE CATHOLIC BISHOP OF CHICAGO

DATE : October 22, 1985

NORTH

 SCALE: 1" = 200'-0"

INSTITUTIONAL PLANNED DEVELOPMENT
PROPERTY LINE RIGHT OF WAY ADJUSTMENTS



----- : PLANNED DEVELOPMENT BOUNDARY

APPLICANT : THE CATHOLIC BISHOP OF CHICAGO

DATE : October 22, 1985

NORTH



SCALE : 1" = 200' 0"

INSTITUTIONAL PLANNED DEVELOPMENT
PLANNED DEVELOPMENT USE AND BULK REGULATIONS AND DATA

Net Site Area		General Description of Land Use	Maximum Floor Area Ratio	Maximum % of Land covered
Sq. Ft.	Acres			
70,894	1.6275	Convent, community church and senior adult center, religious institution, and related recreational facilities, one elevator apartment structure for elderly housing and related off-street parking.	1.20	56.7%

Gross Site Area = Net Site Area 70,894 sq. ft. +
Area of Public Streets and Alley 34,154.68 sq. ft. =
105,048.68 sq. ft. or 2.4116 Acres.

Maximum permitted Floor Area ratio for Total Net
Site Area: 1.20 F.A.R.

Maximum percentage of land coverage for Total Net
Site Area: 56.7%.

Off-street parking and loading requirements for proposed development within the Planned Development area shall be provided with a minimum of spaces for 18 cars.

Minimum periphery building setback: 0 feet.

Setback and yard requirements may be adjusted where required to permit conformance to the pattern of, or architectural arrangement related to, existing structures, or when necessary because of technical reasons, subject to the approval of the Department of Planning.

Applicant: The Catholic Bishop of Chicago
DATE: October 22, 1985

ORDER REPEALED FOR ISSUANCE OF SIGN PERMIT TO A B
SIGNS, INCORPORATED.

The Committee on Zoning submitted the following report:

CHICAGO, January 28, 1986.

To the President and Members of the City Council:

Your Committee on Zoning begs leave to recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith (referred to your committee on January 16, 1986) repealing an order to the Commissioner of Inspectional Services to issue a permit for a sign located at 7215 W. Touhy Avenue.

This recommendation was concurred in by 7 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

(Signed) EDWARD R. VRDOLYAK,
Vice-Chairman.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. That the order adopted by the City Council of the City of Chicago on August 7, 1985, and appearing on page 19153 of the Journal of Proceedings of said date, directing the Commissioner of Inspectional Services to issue a permit for a sign to A B Signs, Inc. to be located at 7215 W. Touhy Avenue is hereby repealed.

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

JOINT COMMITTEE
COMMITTEE ON POLICE AND FIRE
COMMITTEE ON BUILDINGS.

**AUTHORITY GRANTED FOR PUBLIC HEARING
CONCERNING COMPLIANCE WITH SMOKE
DETECTOR ORDINANCE.**

The Joint Committee composed of the members of the Committee on Police and Fire and the Committee on Buildings submitted the following report:

CHICAGO, February 4, 1986.

To the President and Members of the City Council:

Your Committee on Police and Fire and the Committee on Buildings, having under consideration a resolution (which was referred on December 11, 1985) from many co-sponsors regarding an investigation and consultation with the Commissioner of Fire and the Commissioner of Inspectional Services into the present process of education, enforcement and compliance for the Smoke Detector Ordinance begs leave to recommend that Your Honorable Body *Adopt* the said resolution transmitted herewith.

This recommendation was concurred in by a unanimous vote.

Respectfully submitted,
(Signed) FRED B. ROTI,
Chairman.

On motion of Alderman Roti, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, The Smoke Detector Ordinance in the City of Chicago is presently being neglected; and

WHEREAS, Fifty-seven citizens of Chicago have died in fires this year; and

WHEREAS, Smoke Detectors were not installed at these fires and therefore, are attributed to the more than half of the ninety-six residential fire deaths; and

WHEREAS, Poor public cooperation has made enforcement more difficult for City Departments and City Officials; and

WHEREAS, The Smoke Detector Ordinance became effective September 1, 1984 for multi-dwelling units and December 1, 1984 for single-family residents; and

WHEREAS, The Smoke Detector Law requires at least one detector within 15 feet of each room used for sleeping; and

WHEREAS, Random spot checks by fire officials for smoke detectors show only 30% to 50% of all residential buildings have detectors in operation; now, therefore,

Be It Resolved, That we, the Mayor and Members of the Chicago City Council, in response to this current need call for a joint public hearing of the Committee on Police and Fire and the Committee on Buildings to insure that all citizens of Chicago comply with the Smoke Detector Ordinance; and

Be It Further Resolved, That the Commissioner of Fire and the Commissioner of Inspectional Services appear and testify before these joint committees for consultation and an investigation into the present process of education, enforcement and compliance for the Smoke Detector Ordinance.

MATTERS PRESENTED BY THE ALDERMEN

(Presented By Wards, In Order, Beginning With The First 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 specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location
ROTI (1st Ward)	South LaSalle Street (east side) from a point 95 feet north of West Congress Parkway to a point 21 feet north thereof - at all times;
	South LaSalle Street (east side) from a point 142 feet south of West Van Buren Street to a point 21 feet south thereof -- at all times;
DAMATO (37th Ward)	West North Avenue at 5737 from a point 33 feet west of North Massasoit Avenue to a point 25 feet west thereof -- 8:00 A.M. to 6:00 P.M. -- Mondays through Saturdays.

Referred -- AMENDMENT OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF SOUTH SEELEY AVENUE.

Alderman Kellam for Alderman Sheahan (19th Ward) presented a proposed ordinance to restrict the movement of vehicular traffic to a northerly direction on South Seeley Avenue from 96th Street to the first alley south of West 95th Street (instead of West 95th Street), which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- DISCONTINUANCE OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF NORTH NEWCASTLE AVENUE.

Alderman Banks (36th Ward) presented a proposed ordinance to discontinue the restriction on the movement of one-way vehicular traffic in a northerly direction on North Newcastle Avenue from West Belmont Avenue to the first alley south thereof, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- PROHIBITION OF PARKING AT ALL TIMES
AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to prohibit at all times the parking of vehicles at the locations designated, for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location
MELL (33rd Ward)	North Lawndale Avenue at 2339;
MC LAUGHLIN (45th Ward)	West Winona Street (south side) at 5021.

Referred -- PROPOSED STUDY REGARDING PROHIBITION
OF PARKING DURING SPECIFIED HOURS.

Alderman Gabinski (32nd Ward) presented a proposed order to study the feasibility of prohibiting the parking of vehicles on the north side of West Augusta Boulevard at 1400 from 9:00 A.M. to 4:30 P.M. on all school days (instead of the hours 8:00 A.M. to 4:30 P.M. currently in effect), which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- INSTALLATION OF AUTOMATIC TRAFFIC
CONTROL SIGNALS.

Alderman Kellam for Alderman Sheahan (19th Ward) presented a proposed order for the installation of automatic control signals at the intersection of South Hamlin Avenue and West 103rd Street, which was *Referred to the Committee on Traffic Control and Safety*.

⁴ *Referred --* INSTALLATION OF TRAFFIC SIGNS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Type of Sign
HUELS (11th Ward)	South Throop Street and West 29th Street -- "Stop";
STREETER (17th Ward)	West 76th Street and South Union Avenue -- "3-Way Stop";
	West 77th Street and South Racine Avenue -- "3-Way Stop";

Alderman	Location and Type of Sign
<i>KELLAM</i> for <i>SHEAHAN</i> (19th Ward)	West 107th Street between South Western Avenue and South Claremont Avenue -- "Not A Through Street"; West 112th Street and South Albany Avenue -- "4-Way Stop";
<i>BANKS</i> (36th Ward)	Southwest corner of West Cornelia Avenue and North Osceola Avenue -- "Stop"; Southeast and northwest corners of North Osceola Avenue and West Cornelia Avenue -- "Stop";
<i>CULLERTON</i> (38th Ward)	West Cornelia Avenue and North Natchez Avenue -- "Stop"; West Cornelia Avenue at North Neenah Avenue -- "Stop"; West Cornelia Avenue at North Normandy Avenue -- "Stop";
<i>SCHULTER</i> (47th Ward)	North Paulina Street and West Waveland Avenue -- "Stop".

2. ZONING ORDINANCE AMENDMENTS.

Referred -- ZONING RECLASSIFICATION OF PARTICULAR AREAS.

The aldermen named below presented four proposed ordinances for amendment of the Chicago Zoning Ordinance, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning*, as follows:

BY ALDERMAN SCHULTER (47th Ward):

To classify as an R3 General Residence District instead of an R4 General Residence District and B4-2 Restricted Service District the area shown on Map No. 11-H bounded by

a line 65 feet south of West Lawrence Avenue; North Hermitage Avenue; a line 45 feet south of West Lawrence Avenue; the alley next west of North Paulina Street; a line 110 feet south of West Lawrence Avenue; the alley next west of North Ashland

Avenue; a line 32 feet south of West Lawrence Avenue; North Ashland Avenue; West Wilson Avenue; North Hermitage Avenue; the alley next north of West Wilson Avenue; and the alley next west of North Hermitage Avenue.

BY ALDERMAN DAMATO (37th Ward):

To classify as a B3-2 General Retail District instead of an R3 General Residence District the area shown on Map No. 5-L bounded by

a line 111.36 feet north of the alley next north of West North Avenue; the alley next east of North Central Avenue; the alley next north of West North Avenue; and North Central Avenue.

BY ALDERMAN BRADY (15th Ward):

To classify as a C2-1 General Commercial District instead of an M1-1 Restricted Manufacturing District the area shown on Map No. 18-I bounded by

South Columbus Avenue; a line 40.25 feet southwest of the intersection of South Columbus Avenue and South Whipple Street as measured along the southeast line of South Columbus Avenue and perpendicular thereto; a line 74.9 feet southeast of South Columbus Avenue; and a line 88.71 feet southwest of the intersection of South Columbus Avenue and South Whipple Street as measured along the southeast line of South Columbus Avenue and perpendicular thereto.

To classify as a B4-1 Restricted Service District instead of a B2-1 Restricted Retail District the area shown on Map No. 16-H bounded by

a line 124.51 feet north of West 71st Street; South Damen Avenue; West 71st Street; and a line 99 feet west of South Damen Avenue.

3. CLAIMS.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented twenty-seven proposed claims against the City of Chicago for the claimants named as noted respectively, which were *Referred to the Committee on Claims and Liabilities*, as follows:

Alderman

Claimant

ROTI (1st Ward)

Mergenthaler Building Condominium
Association;

MADRZYK (13th Ward)

Kings Court Condominium Phase II;

Alderman

Claimant

SHEAHAN (19th Ward)

Louis Jennings;

KRYSTYNIAK (23rd Ward)

Bernice Styger;

Archer Ridge Condominium;

NARDULLI (26th Ward)

Cortez Condominium Homes;

Hoyne Condominium Homes;

KOTLARZ (35th Ward)Breton Court Biplax Owners
Association;*LAURINO* (39th Ward)Hollywood Park Condominium
Association;*NATARUS* (42nd Ward)Streeterville 400 Condominium
Association;1516 North State Parkway
Condominium Association;

73 East Elm Condominium Association;

MC LAUGHLIN (45th Ward)Board of Managers -- Sans Souci
Condominiums;

Le Cour Condominiums;

VOLINI (48th Ward)Edgewater Beach Apartments
Corporation;

Malibu East Condominium Association;

Alderman

Claimant

930 West Margate Terrace
Condominium Association;

912-914 Margate Terrace
Condominium;

ORR (49th Ward)

1100-1102 Columbia Condominium
Association;

1434-1436 West Pratt Condominium
Association;

Greenleaf Condominium Association;

Eastlake Terrace Condominium
Association;

6970-6972 North Ashland Condominium
Association;

Seeley North Condominium Association;

STONE (50th Ward)

Park Manor Condominium Association;

Emerson Park Condominium,
Incorporated;

Hamilton House 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 GRANTED FOR INSTALLATION OF
SPECIFIED GRATES IN EXISTING SIDEWALK.

A proposed order to grant permission to Mr. James Macchiaroli, Brooks Building, for the installation of grates in the existing vaulted sidewalk for Commonwealth Edison Company transformer ventilation and access purposes, which was *Referred to the Committee on Streets and Alleys*.

Presented by

ALDERMAN EVANS (4th Ward):

MONTH OF FEBRUARY, 1986 DECLARED
"DR. DEARING E. KING MONTH".

A proposed resolution reading as follows:

WHEREAS, Dr. Dearing E. King, distinguished pastor and chief administrator of Monumental Baptist Church has attained 45 years in the ministry and has faithfully served his congregation since 1967; and

WHEREAS, Dr. Dearing E. King was ordained as a minister in 1941, received his A. B. Degree from LeMoyne College, Bachelor of Arts Degree and Graduate Degree from Howard University; and

WHEREAS, During his career as a lifetime minister, Dr. D. E. King has served as pastor of the Washington Street Baptist Church in Paducah, Kentucky, Zion Baptist Church in Louisville, Kentucky and Friendship Baptist Church in the City of New York; and

WHEREAS, This renowned author of several publications has served as a guest lecturer at a host of colleges, universities and institutions throughout the United States and abroad; and

WHEREAS, Dr. D. E. King has long been active in civil rights movements across the country and was instrumental in the passage of the public accommodation law in Louisville, Kentucky; and

WHEREAS, Dr. D. E. King has served as a financial advisor to his congregation and has been responsible for numerous church improvements and his unselfish dedication and concern for humanity has led to the development of projects designated to assist Chicago's constituency; and

WHEREAS, Dr. D. E. King serves on several boards, commissions and is a member of Baptist associations across the country; now, therefore,

Be It Resolved, That the City Council of the City of Chicago, in our meeting assembled this 4th day of February A.D. 1986, hereby declare the month of February as "Dr. D. E. King Month" in honor of this dedicated theologian who will retire after 18 years of pastorage at Monumental Baptist Church and who has been an outstanding leader and an inspiration to all of his members. We offer him our sincere wishes for a bright and fruitful future; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Dr. Dearing E. King.

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

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

Referred -- PERMISSION GRANTED FOR INSTALLATION
OF CONCRETE CURBS, ET CETERA AT SPECIFIED
INTERSECTION.

Also, a proposed order to grant permission to the Hyde Park-Kenwood Development Corporation for the installation of new concrete curbs, decorative paving, street furniture, tree grates, et cetera at the northeast corner of East 53rd Street and South Woodlawn Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented by

ALDERMAN MAJERCZYK (12th Ward):

**BUILDING DECLARED PUBLIC NUISANCE AND ORDERED
DEMOLISHED.**

A proposed ordinance reading as follows:

WHEREAS, The building at the following location, to wit, 4020-4022 South California Avenue, is so deteriorated and weakened that it is structurally unsafe and a menace to life and property in its vicinity; now, therefore,

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

SECTION 1. The building at the following locations, to wit, 4020-4022 South California Avenue, is declared public nuisance, and the Commissioner of Buildings is authorized and directed to demolish the same.

SECTION 2. This ordinance shall be effective upon its passage.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

Presented by

ALDERMAN SHERMAN (21st Ward):

Referred -- AMENDMENT OF CHICAGO MUNICIPAL CODE
CHAPTER 11.1, SECTION 11.1-7(b) CONCERNING
RE-REGISTRATION OF FIREARMS.

A proposed ordinance to amend Chapter 11.1, Section 11.1-7(b) of the Chicago Municipal Code by referring therein to "law enforcement" officers instead of "police" officers regarding the re-registration of firearms, which was *Referred to the Committee on Police and Fire*.

Referred -- DEPARTMENT OF PERSONNEL URGED TO ESTABLISH
MATERNITY LEAVE POLICY FOR CITY EMPLOYEES.

Also, a proposed resolution urging the Department of Personnel to establish an equitable maternity leave policy for City of Chicago employees, which was *Referred to the Committee on Administration, Reorganization and Personnel*.

Presented by

ALDERMAN W. DAVIS (27th Ward):

**DRAFTING OF ORDINANCE DIRECTED FOR VACATION
OF SPECIFIED PUBLIC WAYS.**

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of South Hermitage Avenue lying between the south line of West Jackson Boulevard and a line 260.5 feet south thereof; also South Wood Street lying between the southeasterly line of West Ogden Avenue and the north line of West Van Buren Street, together with all of the public alleys in the block bounded by West Jackson Boulevard, West Van Buren Street, West Ogden Avenue, South Wood Street, and South Hermitage Avenue for Rush- Presbyterian St. Luke's Medical Center (No. 18-27-86-1033); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman W. Davis 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 W. Davis, the foregoing proposed order was *Passed*.

Presented by

ALDERMAN GABINSKI (32nd Ward):

Referred -- **COMMITTEE ON FINANCE URGED TO HOLD
HEARING REGARDING BUCKTOWN BUSINESS
ASSOCIATION FUNDING.**

A proposed resolution urging the City Council Committee on Finance to hold a hearing to address funding problems arising within the Bucktown Business Association, which was *Referred to the Committee on Finance*.

Presented by

ALDERMAN KOTLARZ (35th Ward):

Referred -- INSTALLATION OF BUS PASSENGER SHELTER
AT SPECIFIED INTERSECTION.

A proposed ordinance to install a bus passenger shelter on North Kimball Avenue at West Irving Park Road for southbound passengers, which was *Referred to the Committee on Local Transportation*.

Presented by

ALDERMAN KOTLARZ (35th Ward) and OTHERS:

**NORTH WESTERN RAILROAD ORDERED TO CEASE CUTTING
DOWN TREES ALONG RAILROAD EMBANKMENTS.**

A proposed resolution, presented by Aldermen Kotlarz, Mell, McLaughlin and Pucinski, reading as follows:

WHEREAS, The North Western Railroad has been cutting down trees along its northwesterly railroad tracks; and

WHEREAS, North Western Railroad is not justified in cutting down these trees; and

WHEREAS, These trees will be an important ecological and environmental need of the surrounding community; and

WHEREAS, These trees serve as an important sound buffer to the many residences of the community near the railroad tracks, now, therefore,

Be It Resolved, That the North Western Railroad be ordered by the City Council resolution to stop cutting down trees; stop spraying contaminants; repair the fences, and generally make these embankments a better part of our community.

Alderman Kotlarz 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 Kotlarz, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

Presented by

ALDERMAN NATARUS (42nd Ward):

DRAFTING OF ORDINANCE DIRECTED FOR VACATION OF
SPECIFIED AIR RIGHTS OVER PORTION OF
NORTH ERNST COURT.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of air rights between elevation 99.42 and elevation 113.42 Chicago City Datum over the north 158.72 feet of North Ernst Court between East Walton Street and East Delaware Place (except the 20-foot area previously vacated) for Urban Investment/JMB Realty (No. 3-42-86-1031); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Natarus 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 Natarus, the foregoing proposed order was *Passed*.

Presented by

ALDERMAN OBERMAN (43rd Ward):

Referred -- PERMISSION GRANTED TO HOLD SIDEWALK SALE
ON PORTION OF NORTH SEDGWICK STREET.

A proposed order to grant permission to Anthony Bruno, Ultimate Sports Bar and Grill, to hold a sidewalk sale on the east side of the 2100 block of North Sedgwick Street on Sunday, February 9, 1986, which was *Referred to the Committee on Beautification and Recreation*.

Presented by

ALDERMAN MC LAUGHLIN (45th Ward):

Referred -- ISSUANCE OF VOUCHERS IN ACCORDANCE WITH 1986
ANNUAL APPROPRIATION ORDINANCE FOR SUNDRY
NEIGHBORHOOD CHAMBERS OF COMMERCE.

Two proposed ordinances for the issuance of vouchers in accordance with the 1986 Annual Appropriation Ordinance to the chambers of commerce listed, for the purpose of providing technical assistance to area businesses, which were *Referred to the Committee on Finance*, as follows:

Jefferson Park Chamber of Commerce -- from Account 100-9112-838 in the amount of \$29,000;

Portage Park Chamber of Commerce -- from Account 100-9112-838 in the amount of \$35,000.

Presented by

ALDERMAN ORBACH (46th Ward):

COMMENDATIONS EXTENDED TO CURRENT UNITED STATES
OVERSIGHT TEAM AND PETITION TO INCREASE
NUMBER OF PARTICIPANTS FOR EFFORTS
AT UPCOMING PHILIPPINES
PRESIDENTIAL
ELECTION.

A proposed resolution reading as follows:

WHEREAS, Philippine President Ferdinand E. Marcos has called for a "snap" presidential election to be held February 7, 1986; and

WHEREAS, President Marcos has been under increasing pressure from within his own country and from other Free World countries to make political and economic reforms in light of serious charges of human rights abuses and atrocities including group slayings, disappearances and torture that are documented by the United States Department of State; and

WHEREAS, The United States of America has many vital economic and defense interests in the Philippines including the Subic Bay Naval Base and Clark Air Force Base; and

WHEREAS, President Marcos is being challenged in the February 7th election by Maria Corazon Aquino, the widow of his longtime political rival, and former Philippine Senator Salvador Laurel; and

WHEREAS, Serious concerns have been raised over the possibility of vote fraud in the election by groups both within the Philippines and without; and

WHEREAS, The Philippine people and the people of the United States of America have a long history of mutual cooperation and respect; and

WHEREAS, Concerns over election fraud have prompted President Ronald Reagan to name a delegation of American observers to monitor the election; and

WHEREAS, The 19-member team is scheduled to leave for Manila today headed by United States Senator Richard Lugar of Indiana, who is chairman of the Senate Foreign Relations Committee, United States Representative John Murtha of Pennsylvania and Fred Fielding, counsel to President Reagan; and

WHEREAS, A much greater delegation is needed to fulfill the monumental task; now, therefore,

Be It Resolved, That the Mayor and the City of Chicago commend the formation of the current team but urge that its number be significantly increased in order that the monumental task at hand be accomplished with the utmost integrity to fulfill the electoral intent of the people of the Philippines; and

Be It Further Resolved, That a suitable copy of this resolution be forwarded to President Reagan for his consideration.

Alderman Orbach 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 Orbach, the foregoing proposed resolution was *Adopted*, unanimously.

Presented by

ALDERMAN ORBACH (46th Ward) and OTHERS:

STATE LEGISLATURE PETITIONED TO FORMULATE STANDARDS
BY WHICH PRACTITIONERS OF ACUPUNCTURE
SHALL BE LICENSED.

A proposed resolution, presented by Aldermen Orbach, Langford, Kelley, Krystyniak, Beavers, Natarus, Roti, Hagopian, Majerczyk, Hansen, Laurino, Schalter, McLaughlin, Volini, D. Davis, Madrzyk, Brady, Orr, Kellam, Streeter, Sawyer, Humes, Banks, Damato, W. Davis, Kotlarz, Smith, Cullerton, Rush, Nardulli, Mell, O'Connor, Santiago and Gabinski, reading as follows:

WHEREAS, The ancient practice of acupuncture has been successfully used for an estimated 5,000 years for analgesic and curative purposes; and

WHEREAS, The popularity of acupuncture treatment has been brought to the forefront by the treatment of Chicago Bears players Jim McMahon, Willie Gault, Walter Payton and others; and

WHEREAS, There now exists an increased demand for competent acupuncturists and proper, knowledgeable acupuncture treatment; and

WHEREAS, The Midwest Center for the Study of Oriental Medicine, the only nationally-affiliated acupuncture teaching, research and treatment facility within 2,000 miles of the City of Chicago, and the Illinois State Acupuncture Association are both located within the boundaries of the 46th Ward; now, therefore,

Be It Resolved, That the Mayor and the City Council commend the Midwest Center and the I.S.A.A. for facilitating the work of Acupuncturist Hiroshi Shiraishi in fine tuning many Chicago Bears players for their magnificent Super Bowl victory over the New England Patriots; and

Be It Further Resolved, That the Mayor and the City Council of Chicago call upon members of the Illinois Legislature and officials of the State of Illinois to safeguard the health of the populace from the improper use of acupuncture by formulating standards by which practitioners of acupuncture shall be licensed and regulated within the State of Illinois; and

Be It Further Resolved, That a suitable copy of this resolution be forwarded to Illinois Governor James R. Thompson for his consideration and to the Midwest Center for the Study of Oriental Medicine and the Illinois State Acupuncture Association for their records.

Alderman Orbach 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 Orbach, the foregoing proposed resolution was *Adopted*, unanimously.

5. *FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION
OF WARRANTS FOR COLLECTION, AND WATER RATE
EXEMPTIONS, ETC.*

Proposed ordinances, orders, etc. described below, were presented by the aldermen named, and were *Referred to the Committee on Finance*, as follows:

FREE PERMITS:

BY ALDERMAN GABINSKI (32nd Ward):

Josephinum High School/Sister of Christian Charity -- for installation of a fire alarm system on the premises known as 1501 N. Oakley Boulevard.

BY ALDERMAN LAURINO (39th Ward):

North Park College and Theological Seminary -- for conversion of classrooms to offices (interior and exterior) on the premises known as 3225 W. Foster Avenue.

BY ALDERMAN PUCINSKI (41st Ward):

Norwegian Old Peoples Home Society -- for remodeling and new construction within on the premises known as 6016 N. Nina Avenue.

BY ALDERMAN VOLINI (48th Ward):

Self-Help Home for the Aged -- for new construction on the premises known as 908-930 W. Argyle Street.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN ROTI (1st Ward):

Pacific Garden Mission, 646 S. State Street.

BY ALDERMAN EVANS (4th Ward):

Sojourner Truth Child Care Center, 4945 S. Dorchester Avenue.

BY ALDERMAN BEAVERS (7th Ward):

Babes in Toyland Day Care Center and Kindergarten, 2419-2421 E. 75th Street.

South Shore Community Church Day Care Center, 7401 S. Yates Boulevard.

BY ALDERMAN W. DAVIS (27th Ward):

Missionaries of Charity, 115 N. Oakley Avenue.

BY ALDERMAN D. DAVIS (29th Ward):

Loretto Hospital, 645 S. Central Avenue.

BY ALDERMAN GABINSKI (32nd Ward):

Resurrection Day Nursery, 1849 N. Hermitage Avenue.

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN RUSH (2nd Ward):

Illinois Institute of Technology, sundry locations -- boiler and fuel burning, building, driveway and elevator inspections (4).

BY ALDERMAN SAWYER for *ALDERMAN BLOOM* (5th Ward):

Museum of Science and Industry, E. 57th Street and S. Lake Shore Drive --boiler inspection.

BY ALDERMAN SHEAHAN (19th Ward):

Christ the King Church, 9235 S. Hamilton Avenue -- boiler and fuel burning inspection.

Morgan Park Baptist Church, 11024 S. Bell Avenue -- boiler and fuel burning inspection.

BY ALDERMAN SANTIAGO (31st Ward):

S.S. Cyril and Methodist Rectory, 4256 W. Walton Street -- boiler inspection.

BY ALDERMAN PUCINSKI (41st Ward):

Resurrection Hospital, 7435 W. Talcott Avenue -- boiler and fuel burning inspection.

BY ALDERMAN OBERMAN (43rd Ward):

Augustana Hospital, sundry locations -- boiler and sign inspections (2).

St. Vincent De Paul Center, 2145 N. Halsted Street -- elevator inspection.

REFUND OF FEES.

BY ALDERMAN LAURINO (39th Ward):

North Park College and Theological Seminary, 3225 W. Foster Avenue -- Refund of Building Permit No. 661546 in the amount of \$7,972.75.

BY ALDERMAN OBERMAN (43rd Ward):

DePaul University, 2345 N. Clifton Avenue -- Refund of electrical inspection fee in the amount of \$150.00.

APPROVAL OF JOURNAL OF PROCEEDINGS.

JOURNAL (January 30, 1986).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on January 30, 1986, at 10:00 A.M., signed by him as such City Clerk.

Alderman Banks moved to *Correct* the printed Official Journal as follows:

Page 26614 -- by deleting the numbers "6800 and 6900" appearing on the eleventh and the thirteenth line from the bottom of the page and inserting the numbers "2800 and 2900" in lieu thereof.

The motion *Prevailed*.

Thereupon, Alderman Burke moved to *Approve* the printed Official Journal as *Corrected* and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

UNFINISHED BUSINESS.

LEVY OF TAXES FOR CITY OF CHICAGO FOR YEAR 1986.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of January 16, 1986, pages 26099-26129, recommending that the City Council pass a proposed ordinance authorizing the levy of taxes for the City of Chicago for the year 1986.

Alderman Burke moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Beavers, Humes, Hutchinson, Huels, Majerczyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 41.

Nays -- None.

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

[Tax Levy printed on pages 26796 through 26825 of this Journal.]

TAX LEVY FOR THE YEAR 1986

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The sum of Three Hundred Sixty-eight Million, Five Hundred Eighty-six Thousand, Eight Hundred and Thirty-seven Dollars (\$368,586,837), ascertained by the City Council as the total amount of appropriations heretofore legally made for all corporate purposes to be provided for by the tax levy of the current year, is hereby levied for the year 1986 upon all property within the City of Chicago subject to taxation. The purposes for which appropriations have been made and the amount appropriated for each purpose, respectively, are hereinafter specified in detail in the manner authorized for the annual appropriation ordinance for the year 1986 annexed to and made a part of this ordinance. The amounts appropriated and levied for each of said purposes, respectively, are set forth below in separate columns:

Appropriations for Expenditures for the Fiscal Year
Beginning January 1, 1986 and Ending December 31, 1986

CORPORATE FUND - 100

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
	OFFICE OF THE MAYOR		
1110.000	For personal services.....	2,389,636	
1110.100	For contractual services	333,700	
1110.200	For travel	55,500	
1110.300	For commodities	44,500	
1110.400	For equipment	3,000	
	Total for Office of the Mayor	<u>2,831,336</u>	
	OFFICE OF MUNICIPAL INVESTIGATIONS		
1120.000	For personal services.....	412,589	
1120.100	For contractual services	73,000	
1120.300	For commodities	49,500	
1120.400	For equipment	1,200	
1120.700	For contingencies	44,400	
	Total for Office of Municipal Investigations	<u>580,689</u>	

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UNFINISHED BUSINESS

26797

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Revised</u>
OFFICE OF BUDGET AND MANAGEMENT			
Budgetary Division			
1140.000	For personal services	1,014,554	
1140.100	For contractual services	75,400	
1140.200	For travel	400	
1140.300	For commodities	9,200	
1140.700	For contingencies	100	
	Total for Budgetary Division	<u>1,099,654</u>	
Data Center			
1150.000	For personal services	5,685,551	
1150.100	For contractual services	4,320,393	
1150.200	For travel	1,200	
1150.300	For commodities	296,300	
1150.400	For equipment	34,300	
	Total for Data Center	<u>10,337,744</u>	
	Total for Office of Budget & Management	<u>11,437,398</u>	
DEPARTMENT OF ECONOMIC DEVELOPMENT			
1170.000	For personal services	573,582	
1170.100	For contractual services	191,900	
1170.200	For travel	36,800	
1170.300	For commodities	33,000	
1170.400	For equipment	5,100	
	Total for Department of Economic Development	<u>840,382</u>	
MAYOR'S OFFICE OF INQUIRY AND INFORMATION			
1180.000	For personal services	701,488	
1180.100	For contractual services	84,500	
1180.200	For travel	1,500	
1180.300	For commodities	11,000	
1180.400	For equipment	2,000	
1180.700	For contingencies	500	
	Total for Mayor's Office of Inquiry and Information	<u>800,988</u>	

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
	CITY COUNCIL		
1210.000	For personal services	4,679,136	
1210.200	For travel	264,000	
1210.801	Alderman contingent expense allowance ..	900,000	
	For the employment of personnel as needed by the aldermen to perform secretarial, clerical, stenographic, research, investi- gations or other functions expressly related to the office of alderman, not to exceed a maximum of 4080 hours per alderman; provided that no expenditures shall be made from this account for the purposes enumerated unless the Comptroller shall be so authorized in writing by the Chairman of the Committee on Finance. (204,000 hrs. @ \$6.50h)	1,325,000	
1210.802	Total for City Council	7,169,136	
	CITY COUNCIL COMMITTEES		
	Committee on Finance		
1212.000	For personal services	1,044,822	
1212.100	For contractual services	84,600	
1212.200	For travel	12,050	
1212.300	For commodities	10,800	
1212.700	For contingencies	100	
	Total for Committee on Finance	1,152,372	
	Committee on Administration, Reorganization and Personnel		
1220.000	For personal services	98,300	
1220.100	For contractual services	3,500	
1220.200	For travel	250	
1220.300	For commodities	1,250	
	Total for Committee on Administration, Reorganization and Personnel	103,300	
	Committee on Aviation		
1222.000	For personal services	79,800	
1222.100	For contractual services	200	
1222.200	For travel	500	
1222.300	For commodities	500	
1222.700	For contingencies	750	
	Total for Committee on Aviation	81,750	

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UNFINISHED BUSINESS

26799

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
City Council Committees (Continued)			
Committee on Beautification and Recreation			
1224.000	For personal services	78,900	
1224.100	For contractual services	500	
1224.300	For commodities	500	
	Total for Committee on Beautification and Recreation	79,900	
Committee on Buildings			
1226.000	For personal services	148,900	
1226.100	For contractual services	12,000	
1226.200	For travel	2,000	
1226.300	For commodities	1,500	
	Total for Committee on Buildings	164,400	
Committee on Cable Television			
1228.000	For personal services	219,000	
1228.100	For contractual services	36,000	
1228.200	For travel	1,000	
1228.300	For commodities	4,000	
1228.700	For contingencies	1,000	
	Total for Committee on Cable Television	261,000	
Committee on Claims and Liabilities			
1230.000	For personal services	50,200	
1230.100	For contractual services	2,000	
1230.200	For travel	1,000	
1230.300	For commodities	1,000	
	Total for Committee on Claims and Liabilities	54,200	
Committee on Committees and Rules			
1232.000	For personal services	110,000	
1232.100	For contractual services	2,000	
1232.300	For commodities	500	
	Total for Committee on Committees and Rules	112,500	
Committee on Cultural Development and Historical Landmarks Preservation			
1234.000	For personal services	74,763	
1234.100	For contractual services	2,500	
1234.200	For travel	500	
1234.300	For commodities	1,000	
1234.700	For contingencies	2,000	
	Total for Committee on Cultural Development and Historical Landmarks Preservation ..	80,763	

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
City Council Committees (continued)			
Committee on Economic Development			
1236.000	For personal services	79,000	
1236.100	For contractual services	1,000	
1236.200	For travel	100	
1236.300	For commodities	500	
1236.700	For contingencies	1,000	
	Total for Committee on Economic Development	<u>81,600</u>	
Committee on Education			
1238.000	For personal services	31,900	
1238.100	For contractual services	3,000	
1238.200	For travel	800	
1238.700	For contingencies	2,000	
1238.801	Expense in attending Legislative Sessions	1,000	
	Total for Committee on Education	<u>38,700</u>	
Committee on Employment			
1240.000	For personal services	98,300	
1240.100	For contractual services	3,500	
1240.200	For travel	250	
1240.300	For commodities	1,250	
	Total for Committee on Employment	<u>103,300</u>	
Committee on Energy and Environmental Protection			
1242.000	For personal services	58,400	
1242.100	For contractual services	1,500	
	Total for Committee on Energy and Environmental Protection	<u>59,900</u>	
Committee on Health			
1244.000	For personal services	100,000	
1244.100	For contractual services	1,500	
1244.300	For commodities	300	
1244.700	For contingencies	2,000	
1244.801	Expense in attending Legislative Sessions	1,000	
	Total for Committee on Health	<u>104,800</u>	

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UNFINISHED BUSINESS

26801

<u>Code</u>	<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	\$	\$
City Council Committees (Continued)		
Committee on Housing and Neighborhood Development		
1246.000 For personal services	89,714	
1246.100 For contractual services	1,500	
1246.200 For travel	1,000	
1246.300 For commodities	300	
1246.700 For contingencies	1,400	
Total for Committee on Housing and Neighborhood Development	93,914	
Committee on Alcoholism and Substance Abuse		
1247.000 For personal services	53,500	
1247.100 For contractual services	200	
1247.300 For commodities	300	
1247.700 For contingencies	500	
Total for Committee on Alcoholism and Substance Abuse	54,500	
Committee on Human Rights and Consumer Protection		
1248.000 For personal services	68,600	
1248.100 For contractual services	150	
1248.300 For commodities	2,000	
Total for Committee on Human Rights and Consumer Protection	70,750	
Committee on Human Services		
1249.000 For personal services	69,900	
1249.100 For contractual services	200	
1249.300 For commodities	300	
1249.700 For contingencies	500	
Total for Committee on Human Services ..	70,900	
Committee on Intergovernmental Relations		
1250.000 For personal services	81,900	
1250.100 For contractual services	300	
1250.200 For travel	1,000	
1250.300 For commodities	2,000	
1250.700 For contingencies	7,000	
Total for Committee on Intergovernmental Relations	92,200	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
City Council Committees (Continued)			
Committee on Land Acquisition and Disposition			
1252.000	For personal services	80,480	
1252.100	For contractual services	100	
1252.300	For commodities	200	
1252.700	For contingencies	1,500	
	Total for Committee on Land Acquisition and Disposition	82,280	
Committee on Leases			
1254.000	For personal services	70,980	
1254.100	For contractual services	1,500	
1254.200	For travel	500	
1254.300	For commodities	500	
1254.700	For contingencies	500	
	Total for Committee on Leases	73,980	
Committee on Licenses			
1256.000	For personal services	112,039	
1256.100	For contractual services	2,000	
1256.200	For travel	200	
1256.300	For commodities	200	
1256.700	For contingencies	500	
	Total for Committee on Licenses	114,939	
Committee on Streets and Alleys			
1258.000	For personal services	115,283	
1258.100	For contractual services	9,600	
1258.300	For commodities	1,000	
1258.700	For contingencies	700	
	Total for Committee on Streets and Alleys	126,583	
Committee on Local Transportation			
1260.000	For personal services	29,344	
	Total for Committee on Local Transportation	29,344	
Committee on Municipal Code Revision			
1262.000	For personal services	95,400	
1262.100	For contractual services	2,000	
1262.200	For travel	250	
1262.300	For commodities	1,000	
1262.700	For contingencies	500	
	Total for Committee on Municipal Code Revision	100,150	

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UNFINISHED BUSINESS

26803

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
City Council Committees (Continued)			
Committee on Police and Fire			
1264.000	For personal services	102,900	
1264.100	For contractual services	1,000	
1264.200	For travel	300	
1264.300	For commodities	1,000	
1264.700	For contingencies	500	
	Total for Committee on Police and Fire .	<u>105,700</u>	
Committee on Ports, Wharves, and Bridges			
1266.000	For personal services	69,900	
1266.100	For contractual services	200	
1266.300	For commodities	300	
1266.700	For contingencies	500	
	Total for Committee on Ports, Wharves, and Bridges	<u>70,900</u>	
Committee on Public Utilities			
1268.000	For personal services	87,700	
1268.100	For contractual services	500	
1268.300	For commodities	200	
1268.700	For contingencies	2,000	
	Total for Committee on Public Utilities	<u>90,400</u>	
Committee on Aging and Disabled			
1269.000	For personal services	53,508	
1269.100	For contractual services	200	
1269.300	For commodities	300	
1269.700	For contingencies	500	
	Total for Committee on Aging and Disabled	<u>54,508</u>	
Committee on Special Events and World's Fair			
1270.000	For personal services	103,600	
1270.100	For contractual services	20,000	
1270.200	For travel	5,000	
1270.300	For commodities	2,000	
1270.700	For contingencies	2,000	
	Total for Committee on Special Events and World's Fair	<u>132,600</u>	
Committee on Municipal Institutions			
1271.000	For personal services	53,500	
1271.100	For contractual services	200	
1271.300	For commodities	300	
1271.700	For contingencies	500	
	Total for Committee on Municipal Institutions	<u>54,500</u>	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
City Council Committees (Continued)			
Committee on Zoning			
1274.000	For personal services	247,900	
1274.100	For contractual services	5,300	
1274.200	For travel	5,000	
1274.300	For commodities	6,000	
	Total for Committee on Zoning	<u>264,200</u>	
Committee on Public Records and Information			
1275.000	For personal services	53,500	
1275.100	For contractual services	200	
1275.300	For commodities	300	
1275.700	For contingencies	500	
	Total for Committee on Public Records and Information	<u>54,500</u>	
Committee on Animal Treatment and Control			
1276.801	For expenses incurred in the operations of the Committee	54,600	
	Total for Committee on Animal Treatment and Control	<u>54,600</u>	
Committee on Neighborhood and Community Affairs			
1277.000	For personal services	67,700	
1277.100	For contractual services	1,500	
1277.200	For travel	500	
1277.300	For commodities	500	
1277.700	For contingencies	500	
	Total for Committee on Neighborhood and Community Affairs	<u>70,700</u>	
Committee on Community Services			
1278.000	For personal services	69,300	
1278.100	For contractual services	200	
1278.300	For commodities	300	
1278.700	For contingencies	500	
	Total for Committee on Community Services	<u>70,900</u>	
CITY COUNCIL LEGISLATIVE REFERENCE BUREAU			
1280.000	For personal services	235,980	
1280.100	For contractual services	15,000	
1280.200	For travel	6,000	
1280.300	For commodities	3,000	
	Total for City Council Legislative Reference Bureau	<u>260,980</u>	

2/4/86

UNFINISHED BUSINESS

26805

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
MUNICIPAL REFERENCE LIBRARY			
1290.000	For personal services	550,470	
1290.100	For contractual services	62,500	
1290.200	For travel	200	
1290.300	For commodities	80,000	
1290.400	For equipment	4,300	
	Total for Municipal Reference Library ..	697,570	
DEPARTMENT OF PLANNING			
1310.000	For personal services	2,284,989	
1310.100	For contractual services	454,500	
1310.200	For travel	1,000	
1310.300	For commodities	41,500	
1310.400	For equipment	1,500	
1310.700	For contingencies	1,000	
	For the City's participation in the		
1310.901	Northeastern Illinois Planning Commission ..	75,000	
	Total for Department of Planning	2,859,489	
DEPARTMENT OF HOUSING			
1330.000	For personal services	414,371	
1330.100	For contractual services	300,700	
1330.200	For travel	400	
1330.300	For commodities	6,550	
1330.400	For equipment	700	
1330.700	For contingencies	1,000	
	Total for Department of Housing	723,721	
DEPARTMENT OF CULTURAL AFFAIRS			
Office of Fine Arts			
1340.000	For personal services	540,405	
1340.100	For contractual services	221,500	
1340.200	For travel	2,000	
1340.300	For commodities	40,800	
1340.700	For contingencies	7,000	
1340.801	For services provided by performers and		
	exhibitors	150,000	
	Total for Department of Cultural Affairs		
	- Office of Fine Arts	961,705	
CITY CLERK			
1410.000	For personal services	1,123,343	
1410.100	For contractual services	436,428	
1410.300	For commodities	32,000	
1410.801	For expenses related to parking ticket		
	collection enforcement	310,000	
1410.802	For expenses associated with		
	implementation of an ethics ordinance ..	100,000	
	Total for City Clerk	2,001,771	

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
DEPARTMENT OF FINANCE			
CITY COMPTROLLER			
1500.000	For personal services	4,712,538	
1500.100	For contractual services	587,500	
1500.200	For travel	2,000	
1500.300	For commodities	107,400	
	Total for City Comptroller	<u>5,409,438</u>	
CITY COMPTROLLER - SPECIAL ACCOUNTING DIVISION			
1510.000	For personal services	1,905,597	
1510.100	For contractual services	105,800	
1510.200	For travel	6,000	
1510.300	For commodities	21,600	
1510.400	For equipment	73,100	
	Total for Special Accounting Division ..	<u>2,112,097</u>	
DEPARTMENT OF REVENUE			
1524.000	For personal services	3,765,144	
1524.100	For contractual services	1,323,760	
1524.200	For travel	54,700	
1524.300	For commodities	185,500	
1524.400	For equipment	24,000	
1524.890	For maintenance and operation of off-street parking facilities	<u>1,798,200</u>	
	Total for Department of Revenue	<u>7,141,304</u>	
CITY TREASURER			
1530.000	For personal services	654,254	
1530.100	For contractual services	131,350	
1530.200	For travel	10,000	
1530.300	For commodities	9,200	
1530.700	For contingencies	7,000	
	Total for City Treasurer	<u>811,804</u>	
DEPARTMENT OF LAW			
1610.000	For personal services	7,957,584	
1610.100	For contractual services	3,333,935	
1610.200	For travel	29,000	
1610.300	For commodities	127,000	
1610.400	For equipment	10,000	
1610.700	For contingencies	3,000	
	Total for Department of Law	<u>11,460,519</u>	

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UNFINISHED BUSINESS

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<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
DEPARTMENT OF PERSONNEL			
1710.000	For personal services	4,159,117	
1710.100	For contractual services	613,350	
1710.200	For travel	2,000	
1710.300	For commodities	105,100	
1710.400	For equipment	5,900	
1710.500	For permanent improvements	500	
1710.700	For contingencies	500	
	Total for Department of Personnel	<u>4,896,957</u>	
DEPARTMENT OF PURCHASES, CONTRACTS AND SUPPLIES			
1810.000	For personal services	4,374,611	
1810.100	For contractual services	556,100	
1810.200	For travel	25,000	
1810.300	For commodities	107,000	
1810.400	For equipment	26,900	
1810.500	For permanent improvements	9,000	
1810.700	For contingencies	1,000	
	Total for Department of Purchases, Contracts and Supplies	<u>5,099,611</u>	
GRAPHICS AND REPRODUCTION CENTER			
1840.000	For personal services	1,113,455	
1840.100	For contractual services	206,700	
1840.200	For travel	1,600	
1840.300	For commodities	348,700	
1840.400	For equipment	3,000	
	Total for Graphics and Reproduction Center	<u>1,673,455</u>	
BOARD OF ELECTION COMMISSIONERS			
1910.000	For personal services	4,796,190	
1910.100	For contractual services	4,929,500	
1910.200	For travel	63,400	
1910.300	For commodities	610,500	
1910.400	For equipment	121,000	
1910.500	For permanent improvements	5,000	
1910.700	For contingencies	35,400	
	Total for Board of Election Commissioners	<u>10,460,990</u>	
DEPARTMENT OF HEALTH			
3110.000	For personal services	28,674,102	
3110.100	For contractual services	1,941,150	
3110.200	For travel	45,700	
3110.300	For commodities	2,934,000	
3110.400	For equipment	8,100	
3110.802	For payment of stipend for Board of Health President	25,000	
3110.803	For hospital reimbursement for at risk patients	1,500,000	
	Total for Department of Health	<u>35,128,052</u>	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	COMMISSION ON HUMAN RELATIONS		
3410.000	For personal services	363,035	
3410.100	For contractual services	22,400	
3410.200	For travel	1,700	
3410.300	For commodities	3,600	
3410.400	For equipment	4,000	
3410.700	For contingencies	200	
	Total for Commission on Human Relations	<u>395,535</u>	
	DEPARTMENT ON AGING AND DISABILITIES		
3420.000	For personal services	1,219,350	
3420.100	For contractual services	100,500	
3420.200	For travel	38,000	
3420.300	For commodities	213,700	
3420.400	For equipment	2,000	
3420.700	For contingencies	500	
3420.801	For program services to the disabled ...	25,000	
	Total for Department on Aging and Disabilities	<u>1,599,050</u>	
	CHICAGO COMMISSION ON WOMEN'S AFFAIRS		
3430.000	For personal services	174,615	
3430.100	For contractual services	22,100	
3430.200	For travel	700	
3430.300	For commodities	3,700	
3430.700	For contingencies	1,000	
3430.800	For specific purposes - general	3,000	
	Total for Commission on Women's Affairs	<u>205,115</u>	
	LATINO AFFAIRS COMMISSION		
3440.000	For personal services	152,076	
3440.100	For contractual services	27,300	
3440.200	For travel	1,500	
3440.300	For commodities	4,200	
3440.400	For equipment	2,000	
3440.700	For contingencies	500	
3440.800	For specific purposes - general	4,000	
	Total for Latino Affairs Commission	<u>192,076</u>	
	DEPARTMENT OF HUMAN SERVICES		
3450.000	For personal services	3,855,847	
3450.100	For contractual services	333,538	
3450.200	For travel	2,000	
3450.300	For commodities	32,300	
3450.400	For equipment	40,900	
3450.700	For contingencies	200	
3450.801	For non-profit delegate agencies programs for (CIN) Chicago Intervention Network .	<u>500,000</u>	
	Total for Department of Human Services..	<u>4,795,295</u>	

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UNFINISHED BUSINESS

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<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	POLICE BOARD		
4101.000	For personal services	150,392	
4101.100	For contractual services	3,100	
4101.300	For commodities	400	
4101.901	For expense of Board	61,000	
	Total for Police Board	220,892	
	DEPARTMENT OF POLICE		
4110.000	For personal services	470,576,763	25,309,362
4110.100	For contractual services	12,481,320	
4110.200	For travel	400	
4110.300	For commodities	12,312,900	
4110.400	For equipment	231,300	
4110.500	For permanent improvements	135,000	
4110.700	For contingencies	100,000	
4110.999	Auxiliary Police Force expense	250,000	
	Total for Department of Police	496,068,283	
	FIRE DEPARTMENT		
4210.000	For personal services	169,704,578	9,305,632
4210.100	For contractual services	4,274,455	
4210.200	For travel	175,000	
4210.300	For commodities	3,372,400	
4210.400	For equipment	138,000	
4210.700	For contingencies	5,000	
4210.801	For the implementation of the computer-aided dispatch system	200,000	
4210.802	For demolition of fire-damaged buildings dangerous to public security	14,000	
4210.803	For physical exams required for candidates and promotions	250,000	
4210.804	For tuition reimbursements for training paramedics in conversational spanish	200,000	
	Total for Fire Department	178,338,533	
	FIRE DEPARTMENT - OFFICE OF EMERGENCY PREPAREDNESS AND DISASTER SERVICES		
4230.000	For personal services	283,697	
4230.100	For contractual services	45,600	
4230.300	For commodities	25,500	
4230.400	For equipment	17,200	
	Total for Fire Department - Office of Emergency Preparedness/Disaster Services	371,997	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
DEPARTMENT OF ZONING			
4310.000	For personal services	364,319	
4310.100	For contractual services	4,400	
4310.200	For travel	5,700	
4310.300	For commodities	4,200	
4310.400	For equipment	1,200	
4310.700	For contingencies	500	
	Total for Department of Zoning	<u>380,319</u>	
ZONING BOARD OF APPEALS			
4330.000	For personal services	179,224	
4330.100	For contractual services	19,800	
4330.200	For travel	500	
4330.300	For commodities	2,500	
	Total for Zoning Board of Appeals	<u>202,024</u>	
COMMISSION ON CHICAGO HISTORICAL AND ARCHITECTURAL LANDMARKS			
4350.000	For personal services	332,084	
4350.100	For contractual services	23,100	
4350.200	For travel	500	
4350.300	For commodities	4,800	
4350.400	For equipment	1,500	
4350.700	For contingencies	1,000	
	Total for Commission on Chicago Historical and Architectural Landmarks	<u>362,984</u>	
DEPARTMENT OF INSPECTIONAL SERVICES			
4410.000	For personal services	13,766,794	
4410.100	For contractual services	600,300	
4410.200	For travel	212,700	
4410.300	For commodities	132,000	
4410.400	For equipment	16,200	
4410.500	For permanent improvements	1,500,000	
4410.700	For contingencies	5,000	
	Total for Department of Inspectional Services	<u>16,232,994</u>	
BUILDING BOARD OF APPEALS			
4470.000	For personal services	98,924	
4470.100	For contractual services	7,600	
4470.200	For travel	400	
4470.300	For commodities	1,300	
4470.400	For equipment	500	
	Total for Building Board of Appeals	<u>108,724</u>	

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UNFINISHED BUSINESS

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<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
DEPARTMENT OF CONSUMER SERVICES			
4510.000	For personal services	5,142,141	
4510.100	For contractual services	206,000	
4510.200	For travel	61,000	
4510.300	For commodities	119,300	
4510.400	For equipment	12,000	
	Total for Department of Consumer Services	5,540,441	
COMMISSION ON ANIMAL CARE AND CONTROL			
4710.000	For personal services	1,754,644	
4710.100	For contractual services	72,300	
4710.300	For commodities	167,000	
4710.400	For equipment	10,000	
4710.700	For contingencies	1,500	
	Total for Commission on Animal Care and Control	2,015,944	
MAYOR'S LICENSE COMMISSION AND LOCAL LIQUOR CONTROL COMMISSIONER (To be expended under the direction of the Mayor)			
4860.000	For personal services	148,340	
4860.100	For contractual services	100,900	
4860.300	For commodities	3,500	
4860.700	For contingencies	1,000	
	Total for Mayor's License Commission and Local Liquor Control Commissioner	253,740	
LICENSE APPEAL COMMISSION			
4870.000	For personal services	59,004	
4870.100	For contractual services	3,000	
4870.700	For contingencies	700	
	Total for License Appeal Commission	62,704	
OFFICE OF CABLE COMMUNICATIONS ADMINISTRATION			
4880.000	For personal services	632,367	
4880.100	For contractual services	80,400	
4880.300	For commodities	17,500	
4880.400	For equipment	3,100	
4880.700	For contingencies	3,000	
4880.801	For payment of stipends for Commissioners	30,900	
	Total for Office of Cable Communications Administration	821,367	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
DEPARTMENT OF STREETS AND SANITATION			
COMMISSIONER'S OFFICE			
5110.000	For personal services	2,200,437	
5110.100	For contractual services	134,500	
5110.200	For travel	10,000	
5110.300	For commodities	40,500	
5110.400	For equipment	12,200	
5110.700	For contingencies	1,000	
	Total for Commissioner's Office	<u>2,398,637</u>	
BUREAU OF STREETS			
5210.801	Pavement improvement, maintenance and restoration	3,188,000	
	Total for Bureau of Streets	<u>3,188,000</u>	
BUREAU OF SANITATION			
5310.000	For personal services	57,966,958	
5310.100	For contractual services	18,502,400	
5310.200	For travel	225,000	
5310.300	For commodities	1,051,500	
5310.400	For equipment	366,500	
5310.700	For contingencies	1,000	
	Total for Bureau of Sanitation	<u>78,113,358</u>	
BUREAU OF RODENT CONTROL			
5340.000	For personal services	2,866,937	
5340.100	For contractual services	723,300	
5340.200	For travel	20,200	
5340.300	For commodities	164,000	
5340.400	For equipment	2,000	
5340.700	For contingencies	500	
	Total for Bureau of Rodent Control	<u>3,776,937</u>	
BUREAU OF ELECTRICITY			
Electrical Maintenance and Operation Division			
5410.000	For personal services	10,046,324	
5410.100	For contractual services	3,395,600	
5410.200	For travel	110,300	
5410.300	For commodities	1,852,200	
5410.400	For equipment	12,500	
	Total for Electrical Maintenance and Operation Division	<u>15,407,424</u>	

Code		Amounts Appropriated	Amounts Levied
		\$	\$
DEPARTMENT OF STREETS AND SANITATION (Continued)			
Electrical Construction Division			
5420.000	For personal services	13,355,059	
5420.100	For contractual services	3,534,900	
5420.200	For travel	55,000	
5420.300	For commodities	2,224,700	
5420.400	For equipment	9,500	
5420.390	For construction projects	2,111,500	
	Total for Electrical Construction Division	21,291,759	
Electrical Wiring and Communications Division			
5430.000	For personal services	7,013,839	
5430.100	For contractual services	309,000	
5430.200	For travel	20,200	
5430.300	For commodities	2,140,000	
5430.400	For equipment	50,500	
	Total for Electrical Wiring and		
	Communications Division	9,533,539	
	Total for Bureau of Electricity	46,232,722	
BUREAU OF EQUIPMENT SERVICE			
5610.000	For personal services	26,693,591	
5610.100	For contractual services	4,408,700	
5610.200	For travel	18,100	
5610.300	For commodities	10,108,500	
5610.400	For equipment	11,000	
	Total for Bureau of Equipment Service ..	41,239,891	
BUREAU OF FORESTRY, PARKWAYS AND BEAUTIFICATION			
5810.000	For personal services	6,386,187	
5810.100	For contractual services	2,211,500	
5810.200	For travel	101,000	
5810.300	For commodities	299,700	
5810.400	For equipment	40,300	
	Total for Bureau of Forestry, Parkways		
	and Beautification	9,038,687	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
DEPARTMENT OF PUBLIC WORKS			
COMMISSIONER'S OFFICE			
6110.000	For personal services	864,707	
6110.100	For contractual services	79,400	
6110.200	For travel	200	
6110.400	For equipment	2,500	
6110.700	For contingencies	1,000	
	Total for Commissioner's Office	947,807	
ADMINISTRATION DIVISION			
6120.000	For personal services	1,422,661	
6120.100	For contractual services	126,800	
6120.200	For travel	300	
6120.300	For commodities	70,500	
6120.400	For equipment	2,500	
	Total for Administration Division	1,622,761	
BUREAU OF TRANSPORTATION PLANNING AND PROGRAMMING			
6150.000	For personal services	1,371,002	
6150.100	For contractual services	222,400	
6150.200	For travel	200	
6150.300	For commodities	14,700	
6150.400	For equipment	7,000	
	Total for Bureau of Transportation Planning and Programming	1,615,302	
BUREAU OF ENGINEERING			
General			
6210.000	For personal services	7,680,925	
6210.100	For contractual services	910,600	
6210.200	For travel	5,100	
6210.300	For commodities	62,400	
6210.400	For equipment	20,000	
	Total for Bureau of Engineering - General	8,679,025	
Bridge Maintenance and Operation			
6250.000	For personal services	2,529,994	
6250.100	For contractual services	664,300	
6250.200	For travel	1,500	
6250.300	For commodities	38,200	
	Total for Bridge Maintenance and Operation	3,233,994	
	Total for Bureau of Engineering	11,912,119	

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UNFINISHED BUSINESS

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<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
DEPARTMENT OF PUBLIC WORKS (Continued)			
BUREAU OF MAPS AND PLATS			
6310.000	For personal services	314,432	
6310.100	For contractual services	153,300	
6310.200	For travel	100	
	Total for Bureau of Maps and Plats	<u>477,832</u>	
BUREAU OF ARCHITECTURE			
6410.000	For personal services	2,463,304	
6410.100	For contractual services	294,300	
6410.200	For travel	700	
6410.300	For commodities	31,900	
6410.400	For equipment	7,000	
	Total for Bureau of Architecture	<u>2,796,504</u>	
BUREAU OF CONSTRUCTION			
6420.000	For personal services	15,349,266	
6420.100	For contractual services	698,100	
6420.200	For travel	27,000	
6420.300	For commodities	1,516,300	
6420.400	For equipment	68,600	
6420.500	For permanent improvements	20,000	
	Total for Bureau of Construction	<u>17,579,466</u>	
BUREAU OF BUILDINGS MANAGEMENT			
6430.000	For personal services	10,973,020	
6430.100	For contractual services	8,216,500	
6430.200	For travel	200	
6430.300	For commodities	780,000	
6430.400	For equipment	25,000	
	For maintenance of North Park Village buildings and property. Prior to any expenditures being made from this account a proposed plan detailing such expenditures shall be submitted to the		
6430.803	City Council	780,500	
	For the operation and maintenance of Navy Pier. Prior to any expenditure being made from this account a proposed plan detailing such expenditures shall		
6430.804	be submitted to the City Council	764,440	
	Total for Bureau of Buildings Management	<u>21,540,020</u>	

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
DEPARTMENT OF AVIATION ADMINISTRATION			
8611.000	For personal services	378,671	
8611.100	For contractual services	24,700	
8611.200	For travel	300	
8611.300	For commodities	22,100	
8611.700	For contingencies	100	
	Total for Administration	<u>425,871</u>	
MERRILL C. MEIGS FIELD			
8655.000	For personal services	354,742	
8655.100	For contractual services	102,500	
8655.300	For commodities	5,800	
8655.700	For contingencies	30	
	Total for Merrill C. Meigs Field	<u>463,072</u>	
	Total for Department of Aviation	<u>888,943</u>	
DEPARTMENT OF FINANCE - GENERAL			
9112.000	For personal services	135,103,500	
9112.100	For contractual services	2,261,500	
9112.200	For travel	363,000	
9112.300	For commodities	180,000	
9112.400	For equipment	515,000	
9112.600	For land	150,000	
9112.700	For contingencies	455,000	
9112.801	For the analysis and implementation of improvements in departmental operations and management and personnel practices and controls: To be expended under the direction of the Mayor	500,000	
9112.802	To provide for matching and supplementary funds for grants currently in effect as well as new grants: To be expended upon approval of the Budget Director	2,300,000	
9112.803	For tuition reimbursement and educational programs: To be expended under the direction of the Commissioner of Personnel	490,000	

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UNFINISHED BUSINESS

26817

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	DEPARTMENT OF FINANCE - GENERAL (Continued)		
9112.310	For expense of relocation of City departments and agencies	50,000	
9112.311	To provide for the restoration of heat to dwelling units through emergency service calls and repair of heating units	400,000	
9112.313	Emergency Family Food Program	3,000,000	
9112.321	For payment of legal fees pursuant to Sec. 25-13.1 of the Municipal Code. To be expended at the direction of the Committee on Finance	125,000	
9112.322	For legal, technical, medical and professional services, appraisers, consultants, printers, court reporters and professional services authorized by the Chairman of the Committee on Finance	300,000	
9112.823	For legal, technical, medical and professional services, appraisals, consultants, printers, court reporters and professional services authorized by the City Council	220,000	
9112.824	To provide for a citywide cost allocation plan and various indirect cost plans	200,000	
9112.325	For apprenticeship program: To be expended under the direction of the Commissioner of Personnel	300,000	
9112.826	For study to determine electric supply options other than Commonwealth Edison ...	150,000	
9112.827	To study feasibility of contracting out to private vendors services currently performed by City departments	250,000	
9112.828	For payment of research and dissemination of public information in relation to the disease acquired immune deficiency syndrome: to be expended pursuant to a contract award resulting from award of a competitive bid(s)	250,000	
9112.829	For payment to establish a firefighter physical assessment center: to be expended under the direction of the Personnel Commissioner and Fire Commissioner	200,000	

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
	DEPARTMENT OF FINANCE - GENERAL (Continued)		
9112.332	For settlement in fire age discrimination lawsuit	100,000	
9112.334	For cooperative education program: To be expended under the direction of the Commissioner of Personnel	60,000	
9112.836	For settlement of the cases entitled: In the matter of: City of Chicago, Bureau of Forestry, 80 CETA 85/113; Lesniak v. City of Chicago and Department of Streets and Sanitation, 81 CETA 356; Davis v. City of Chicago, Department of Sewers, 82 CETA 217	1,898,066	
9112.837	For expenses in connection with a study on the participation of women and hispanics in employment and contracts with the City of Chicago to be expended at the Direction of the Chairman of the Committee on Neighborhoods and Community Affairs and the results, conclusions and findings to be made available in accordance with chapter 25 of the Chicago Municipal Code	200,000	
9112.838	For funding of the delegate agencies approved by the City Council	250,000	
9112.839	For legal assistance to the City Council to be expended at the direction of the Chairman of the Committee on Finance	290,000	
9112.840	For the selection and engagement of a claims adjustment firm for tort liabilities to be expended upon the recommendation of the Risk Manager and Corporation Counsel and approved by the Committee on Finance	500,000	
9112.841	For the payment of expenses related to the implementation of the lease tax	650,000	
9112.922	For payment of emergency shelter, hospital and medical expenses in the reception and care of abandoned infant children	5,000	

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UNFINISHED BUSINESS

26819

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		\$	\$
	DEPARTMENT OF FINANCE - GENERAL (Continued)		
	For payment of emergency shelter, hospital and medical expenses in the reception and care of dependent or neglected children ...	5,000	
9112.924			
	For payment of emergency shelter, hospital and medical expenses in the reception and care of destitute crippled children	3,000	
9112.926			
	For payment for Emergency Shelter: to be expended under the direction of the Commissioner of Human Services	2,500,000	
9112.927			
	For payment of auditing pursuant to the revenue procedures ordinance to be expended at the direction of the Chairman of the Committee on Finance	75,000	
9112.928			
	For payment of claims for hospital and medical expenses incurred while in police custody ..	250,000	
9112.933			
	Claims for damages and liabilities against the City when ordered paid by the City Council	400,000	
9112.934			
	Claims under Worker's Compensation Act	9,000,000	
9112.936			
	For payment of claims for hospital and medical expenses of City employees injured in the actual performance of their duties who are not included in the provisions of the Worker's Compensation Act, as may be ordered by the City Council	3,100,000	
9112.937			
	Claims under Unemployment Insurance Act ...	2,700,000	
9112.938			
	For the reimbursement of condominium and cooperative garbage collection fees, to be paid pursuant to claims made for reimbursement presented to the City Comptrollers Office (all claims shall be paid pursuant to order of the City Council)	2,500,000	
9112.939			

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	DEPARTMENT OF FINANCE - GENERAL (Continued)		
	For payment to dependents of the Police Officer and Firefighter killed or fatally injured in the performance of duty in accordance with the Act of the General Assembly of the State of Illinois, entitled: "An Act, authorizing cities and villages to provide for the payment of allowances of money to the families or dependents of policemen or firemen killed or fatally injured while in the performance of their duties..." approved June 27, 1921, as amended, and the ordinance of the City Council based thereon.	200,000	
	For paying the salary of any sworn member of the Police or Fire Department killed in the line of duty for a period of one year commencing from the date of the death of the deceased member of the Police or Fire Department to the spouse of the deceased member of the Police or Fire Department, or in the absence of a spouse, to the guardian or person standing in loco parentis of dependent minor children, or in the absence of a spouse or minor children, to dependent parents who were residents in the deceased member of the Police or Fire Department's household at the time of the injury		
9112.942	which resulted in his death	150,000	
9112.954	Cost of issuance for Daily Tender Notes ...	600,000	
9112.959	Interest on Daily Tender Notes (and other Corporate credits)	11,952,739	
9112.972	Pension contributions for members in the military service	10,000	
	For expense in connection with recognition and awards to citizens of Chicago for acts of heroism: To be expended on order of the City Council	1,000	
9112.982			
9112.984	Taxes and assessments on City property ...	525,000	

2/4/86

UNFINISHED BUSINESS

26821

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		<u>\$</u>	<u>\$</u>
DEPARTMENT OF FINANCE - GENERAL (Continued)			
	For refunds for cancelled voucher warrants and payroll checks and for refunding duplicate payments and payments made in error	150,000	
9112.990			
	City share of expense of maintaining State Street Mall	1,134,035	
9112.998			
	Total for Department of Finance - General	137,097,390	
9114.960	For loss in collection of taxes	2,000,009	2,000,009
	Total from Corporate Fund	1,260,562,312	37,115,603
LIBRARY FUND - BUILDINGS AND SITES - 342			
CHICAGO PUBLIC LIBRARY			
7110.100	For contractual services	2,665,500	933,385
7110.400	For equipment	567,000	199,562
7110.500	For permanent improvements	60,000	20,553
	Total for Library - Buildings and Sites	3,292,500	
9112.959	Interest on Daily Tender Notes	227,309	227,309
9114.960	For loss in collection of taxes	72,937	72,937
	Total from Library Fund - Buildings and Sites	3,592,746	1,458,746
LIBRARY FUND - MAINTENANCE AND OPERATION - 346			
CHICAGO PUBLIC LIBRARY			
7110.000	For personal services	18,209,513	18,209,513
7110.100	For contractual services	3,352,900	3,352,900
7110.200	For travel	20,000	
7110.300	For commodities	6,274,000	1,243,000
7110.400	For equipment	446,500	
7110.500	For permanent improvements	250,000	
	Total for Library - Maintenance and Operation	29,052,919	

<u>Code</u>		<u>Amounts Appropriated</u>	<u>Amounts Levied</u>
	DEPARTMENT OF FINANCE - GENERAL		
9112.000	For personal services	3,884,300	3,884,300
9112.100	For contractual services	30,000	
	For tuition reimbursement and educational programs: To be expended under the direction of the Commissioner of Personnel	25,000	
9112.801	For expenses in connection with a study of the Multilingual Library needs to be expended at the direction of the Chairman of the Committee on Housing and Neighborhood Development and the results, conclusions and findings to be made available in accordance with chapter 25 of the Chicago Municipal Code	50,000	
9112.826	For cooperative educational program: To be expended under the direction of the Commissioner of Personnel	24,000	
9112.834	To reimburse the Corporate Fund for Worker's Compensation Act claims	42,000	
9112.860	Claims under Unemployment Insurance Act	165,000	
9112.938	Interest on Daily Tender Notes	4,113,891	4,113,891
9112.959	Total for Department of Finance - General	8,334,191	
9114.960	For loss in collection of taxes	1,647,558	1,647,558
	Total from Library Fund - Maintenance and Operation	39,034,667	32,951,167
	JUDGMENT TAX FUND - 395		
9112.905	For payment of principal and interest on judgments	20,000,000	18,919,825
9112.959	Interest on Daily Tender Notes	2,593,333	2,458,508
	Total from Judgment Tax Fund	22,593,333	21,378,333
	NOTE REDEMPTION AND INTEREST FUND SERIES OF 1980 - 504		
	Amounts to be levied in 1986 for the payment of notes and interest on notes:		
9112.961	For payment of term notes	13,900,000	13,900,000
9112.962	For payment of interest on term notes ..	3,394,000	3,394,000
	Total for principal and interest	17,294,000	
9114.960	For loss in collection of taxes	937,000	937,000
	Total from Note Redemption and Interest Fund - 1980	18,731,000	18,731,000

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UNFINISHED BUSINESS

26823

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
		<u>\$</u>	<u>\$</u>
NOTE REDEMPTION AND INTEREST FUND			
SERIES OF 1980-A - 506			
Amounts to be levied in 1986 for the payment of notes and interest on notes:			
9112.961	For payment of term notes	2,500,000	2,500,000
9112.962	For payment of interest on term notes ..	1,650,000	1,650,000
	Total for principal and interest	4,150,000	
9114.960	For loss in collection of taxes	212,000	212,000
	Total from Note Redemption and Interest Fund - 1980-A	4,362,000	4,362,000
BOND REDEMPTION AND INTEREST FUND - 508			
Amounts to be levied in 1986 for the payment of bonds and interest on bonds:			
9112.912	For payment of bonds	165,000	165,000
9112.914	For interest on bonds	123,535	123,535
	Total for principal and interest	288,535	
9114.960	For loss in collection of taxes	3,415	3,415
	Total from Bond Redemption and Interest Fund	292,000	292,000
NOTE REDEMPTION AND INTEREST FUND			
SERIES OF 1984-C & 1985-C - 509			
Amounts to be levied in 1986 for the payment of notes and interest on notes:			
9112.961	For payment of term notes	11,800,000	11,800,000
9112.962	For payment of interest on term notes ..	1,962,000	1,962,000
	Total for principal and interest	13,762,000	
9114.960	For loss in collection of taxes	724,362	724,362
	Total from Redemption and Interest Fund - 1984-C & 1985-C	14,486,362	14,486,362

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	BOND REDEMPTION AND INTEREST FUND - 510		
	Amounts appropriated in 1986 for the pay- ment of bonds and interest on bonds:		
	For payment of bonds:		
	Community Improvement and Development-1975	3,000,000	
	Electric Street Lighting Installation and Improvement - 1976	770,000	
	Emergency Communication/Dispatch System - 1977	500,000	
	Fire Department Apparatus - 1976	385,000	
	General Obligation, Series of April - 1981	600,000	
	General Obligation, Series of March - 1982	2,000,000	
	General Obligation, Series of September - 1982	1,500,000	
	911 Universal Emergency Service System - 1976	460,000	
	O'Hare Rapid Transit Extension - 1977 ...	930,000	
	Police Department Equipment - 1977	500,000	
	Refuse Disposal Facilities Improvement - 1976	690,000	
	Sewer - 1973	3,000,000	
	Sewer - 1977	2,300,000	
	Solid Waste Processing Plant - 1973	900,000	
	Streets and Sanitation Department Equipment - 1977	575,000	
9112.912	Total for payment of bonds	17,430,000	15,997,072
9112.914	For interest on bonds	42,402,757	38,975,685
	Total for specific purpose - financial...	59,832,757	
9114.960	For loss in collection of taxes	2,893,303	2,893,303
	Total from Bond Redemption & Interest Fund	62,725,960	57,865,960

2/4/86

UNFINISHED BUSINESS

26825

<u>Code</u>		<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Levied</u>
	CITY RELIEF FUND - 660		
	For general assistance to persons in need thereof, residing within the City of Chicago, and expenditures for the administration thereof	13,313,351	12,369,351
9112.930	Interest on Daily Tender Notes	1,865,381	1,865,381
9112.959	For loss in collection of taxes	749,229	749,229
9114.960	Total from City Relief Fund	<u>16,428,660</u>	<u>14,984,660</u>
	MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND - 681		
9216.976	For the City's contribution to employees' annuity and benefit fund	<u>81,059,000</u>	<u>69,003,000</u>
	LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND - 682		
9216.976	For the City's contribution to employees' annuity and benefit fund	<u>15,373,000</u>	<u>12,630,000</u>
	POLICEMEN'S ANNUITY AND BENEFIT FUND - 683		
9216.976	For the City's contribution to employees' annuity and benefit fund	<u>67,504,000</u>	<u>56,804,000</u>
	FIREMEN'S ANNUITY AND BENEFIT FUND - 684		
9216.976	For the City's contribution to employees' annuity and benefit fund	<u>31,199,000</u>	<u>25,498,000</u>
	PARK EMPLOYEES' ANNUITY AND BENEFIT FUND - 691		
9216.976	For the City's contribution to employees' annuity and benefit fund	<u>50,000</u>	<u>20,000</u>
	Total Tax Levy		<u>\$368,586,837</u>

SECTION 2. The City Clerk is directed to file certified copies of this ordinance together with copies of the annexed annual appropriation ordinance for the year 1986, with the County Clerk of Cook County and with the County Clerk of Du Page County.

SECTION 3. This ordinance shall be effective upon its passage.

AUTHORITY GRANTED FOR ISSUANCE OF GENERAL
OBLIGATION DAILY TENDER NOTES SERIES
1986 A, B AND C OF CITY OF CHICAGO.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance, deferred and published in the Journal of the Proceedings of January 16, 1986, pages 26130-26237, recommending that the City Council pass a proposed ordinance authorizing the issuance of General Obligation Daily Tender Notes Series 1986 A, B and C of the City of Chicago.

Alderman Burke moved to substitute the following proposed ordinance:

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

WHEREAS, The City has determined that it is desirable and in the public interest of the City to issue notes of the City for the following purposes: (i) to finance current cash requirements of the City; (ii) to anticipate the taxes levied for specific purposes by the City for the year 1986; and (iii) to finance the acquisition of necessary equipment for the City; and

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

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

Finding.

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

Definitions.

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

"Alternate Letter of Credit" shall mean an irrevocable letter, or letters, of credit delivered in accordance with Section 16(c) hereof. Any Alternate Letter of Credit shall be an irrevocable letter of credit, other than the Letter of Credit issued by the Bank and delivered to the Paying Agent concurrently with the original issuance of the Notes, issued

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

"Bank" shall mean The Mitsubishi Bank, Limited New York Branch, in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns and, if a Letter of Credit is issued by a different Bank to secure any additional Series 1986B Notes issued pursuant to Section 89 hereof or if an Alternate Letter of Credit has been issued in accordance with Section 16(c) hereof, "Bank" shall mean the issuer, or issuers, of such Letter or Alternate Letter or Letters, of Credit in its capacity issuing such Letter of Credit or Alternate Letter of Credit, its, or their, successors in such capacity and their assigns. "Principal Office" of the Bank shall mean the principal office of the Bank, which office at the date of the issuance of the initial Letter of Credit is located at One World Trade Center, New York, New York 10048.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Interest Payment Date" is defined in the Notes.

"Interest Period" is defined in the Notes.

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

"Letter of Credit" shall mean the irrevocable letter, or letters, of credit issued by the Bank contemporaneously with the original issuance of the Notes, or any Series of Notes, except that upon the issuance and delivery of an Alternate Letter of Credit in accordance with Section 16(c) hereof, "Letter of Credit" shall mean such Alternate Letter of Credit. Each Series of Notes may be secured by a different Letter of Credit issued by the Bank or by a Letter of Credit issued by a different Bank, all as designated by the City pursuant to the terms of this Ordinance. In the case of the Series 1986B Notes, the additional Series 1986B Notes authorized by Section 89 hereof may be secured by a different Letter of Credit issued by the Bank, or by a Letter of Credit issued by a different Bank, than the Letter of Credit securing the \$80,500,000 Series 1986B Notes referred to in clause (ii) of paragraph (b) of Section 3 hereof. Any reference to Letter of Credit herein shall be deemed to refer to the Letter of Credit related to such Series of Notes, unless the context shall clearly indicate otherwise. The Paying Agent may conclusively rely upon a certificate of the Comptroller that the Letter of Credit is in conformity with the requirements of this Ordinance.

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

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

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

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

"Note Fund" shall mean the fund created by Section 13 hereof.

"Noteholder" shall mean the person in whose name any Note is registered. The Trustee, the Paying Agent, the Remarketing Agent and the Bank may be Noteholders.

"Notice by Mail" or "notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Ordinance mailed by first class mail to the Noteholders, at the addresses shown in the registration books maintained pursuant to Section 8 hereof.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Ordinance" shall mean this Note Ordinance of the City.

"Outstanding", when used in reference to the notes, shall mean, as at any particular date, the aggregate of all Notes authenticated and delivered under this Ordinance except:

- (a) those cancelled at or prior to such date or delivered to or acquired by the Trustee or the Registrar at or prior to such date for cancellation;
- (b) those matured or redeemed Notes which have not been presented for payment in accordance with the provisions of this Ordinance; and
- (c) those in lieu of or in exchange or substitution for which other Notes shall have been authenticated and delivered pursuant to this Ordinance.

"Paying Agent" shall mean Irving Trust Company, as paying agent under this Ordinance, or any other or successor paying agent appointed in accordance with Section 62 hereof. If the Trustee is the Paying Agent, "Principal Office" of the Paying Agent shall mean the principal corporate trust office of the Trustee. If the Trustee is not the Paying Agent, then "Principal Office" shall mean the address given by the Paying Agent in writing to the City, the Trustee, the Bank and the Remarketing Agent.

"Rating Agency" means Moody's or S & P.

"Record Date" is defined in the Notes.

"Registrar" shall mean the Paying Agent acting in the capacity of registrar under this Ordinance, its successors and their assigns.

"Reimbursement Agreement" shall mean the agreement or agreements between the City and the Bank, pursuant to which the related Letter of Credit is issued by the Bank and delivered to the Paying Agent, and initially shall mean the reimbursement agreement entered into pursuant to Section 71 of this Ordinance and any and all modifications, alterations, amendments and supplements thereto. Any reference to Reimbursement

Agreement herein shall be deemed to refer to the Reimbursement Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Remarketing Agent" shall mean the Remarketing Agent designated by the City with respect to the Notes, and initially shall mean the remarketing agent appointed in accordance with Section 70 hereof.

"Remarketing Agreement" means the agreement between the City and the Remarketing Agent entered into pursuant to Section 70 of this Ordinance, and any and all modifications, alterations, amendments and supplements thereto. Any reference to Remarketing Agreement herein shall be deemed to refer to the Remarketing Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Series 1986B Notes" shall have the meaning assigned to such term in clause (ii) of paragraph (b) of Section 3 hereof.

"Series 1986B-2 Notes" means the additional Series 1986B Notes authorized by Section 89 hereof.

"Short Term Rate" means a Daily, Weekly or Commercial Paper Rate.

"State" means the State of Illinois.

"Service Fund" means the fund created pursuant to Section 19 hereof, and held and administered by the Paying Agent.

"S & P" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S & P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City in its place by notice to the Trustee, Paying Agent and Remarketing Agent.

"Supplemental Ordinance" shall mean any ordinance of the City modifying, altering, amending, supplementing or confirming this Ordinance for any purpose, in accordance with the terms hereof.

"Treasurer" shall mean the duly elected Treasurer of the City.

"Trustee" shall mean Continental Illinois National Bank and Trust Company of Chicago, as trustee under this Ordinance, its successors in trust and their assigns. "Principal Office" of the Trustee shall mean the principal corporate trust office of the Trustee, which office at the date of this Ordinance is located at 30 North LaSalle Street, Chicago, Illinois 60697.

"Weekly Rate" means an interest rate on the Notes set under Section 3(c)(2).

This Ordinance, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) Any percentage of Notes, for the purposes of this Ordinance, shall be computed on the basis of the Notes Outstanding at the time the computation is made or is required to be made hereunder.
- (d) Headings of sections herein are solely for the convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Creation of Notes.

SECTION 3. (a) For the purpose of providing moneys for the purposes provided in the preambles hereof, it is hereby declared necessary that the City authorize and issue, and the City hereby authorizes and directs the issuance of, an issue of Notes, entitled to the benefit, protection and security of this Ordinance, in the aggregate principal amount at any one time outstanding of \$210,500,000, subject to the right of the City to issue additional Series 1986B Notes as provided in Section 89 hereof, payable as to principal and interest from the sources indicated hereinafter. The Notes shall be designated by the title "City of Chicago General Obligation Tender Notes, Series 1986" (the "Notes"). The Notes shall be dated as provided in clause (k) of this Section 3.

(b) The Notes shall be issued as three series (each a "Series") as below designated, and in the amounts, maturing, subject to prior redemption upon the terms and conditions as hereinafter set forth, and be for the purposes as follows:

(i) Series 1986A (the "Series 1986A Notes"), in the principal amount at any one time outstanding of \$100,000,000, maturing on December 31, 1986, for the purpose of financing the current cash flow requirements of the City;

(ii) Series 1986B (the "Series 1986B Notes"), in the principal amount of \$80,500,000, subject to the right of the City to issue additional Series 1986B Notes as provided in Section 89 hereof, maturing on October 31, 1987, for the purpose of anticipating taxes levied for specific purposes for the year 1986; and

(iii) Series 1986C (the "Series 1986C Notes"), in the principal amount of \$30,000,000, maturing on October 31, 1990, for the purpose of acquiring certain capital equipment to be designated in an ordinance to be adopted by the City Council.

(c) Interest Rate Determination Methods.

(1) Daily Rate. When interest on any Series of the Notes is payable at a Daily Rate, the Comptroller will set a Daily Rate on each Business Day. Each Daily Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the day the rate is set at 100% of their principal amount plus accrued interest. The Daily Rate for any non-Business Day will be the rate for the last day on which a rate was set or, upon the commencement of a period during which the Notes

of such Series bear interest at a Daily Rate, the rate established on the first Business Day after the date of such commencement.

If for any reason the Comptroller does not set a Daily Rate on any Business Day or a court holds that the rate set for any day is invalid or unenforceable, the Daily Rate for that day will be the average of 30-day yield evaluations at par of securities, the interest on which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. Initially, that rate will be the earliest rate published each day by Munifacts Wire System, Inc. The City, acting through its Comptroller, may designate a replacement publisher to the Trustee and the Remarketing Agent. If Munifacts Wire System, Inc. or such replacement publisher does not publish such a commercial paper rate on a day on which a Daily Rate is to be set, the Remarketing Agent will set the Daily Rate at 50% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced on such day by the Federal Reserve Bank of New York, converted to a coupon-equivalent rate.

(2) Weekly Rate. The Comptroller will set a Weekly Rate on the last Business Day before the commencement of a period during which any Series of the Notes bear interest at a Weekly Rate and each Tuesday thereafter during which interest on the Notes of such Series is to be payable at a Weekly Rate or, if any Tuesday is not a Business Day, on the next succeeding Business Day. Each Weekly Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the date the rate is set at 100% of their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Weekly Rate or a court holds that any rate set is invalid or unenforceable, the Weekly Rate for that period will be the average of 30-day yield evaluations at par of securities (whether or not actually issued), the interest on which is exempt from Federal income taxation, of at least 20 component issuers selected by the Remarketing Agent, including issuers of commercial paper, project notes, bond anticipation notes and tax anticipation notes, computed by the Remarketing Agent as of the day on which the Comptroller was to have set the Weekly Rate. When the Notes are rated by a Rating Agency in either of its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by a Rating Agency in its highest note or commercial paper rating category or (b) not have outstanding notes or commercial paper rated by a Rating Agency but have outstanding securities rated by a Rating Agency in either of its two highest long-term debt rating categories. If the Notes are rated by both Rating Agencies in a rating category that is lower than its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by one Rating Agency in its note or commercial paper rating category correlative, in the Remarketing Agent's judgment, to the long-term debt rating category of the Notes or (b) have outstanding securities rated by one Rating Agency in the same long-term debt rating category as the Notes are rated by that Rating Agency and not have any outstanding notes or commercial paper rated by such Rating Agency. The Remarketing Agent may change the component issuers from time to time in its discretion, subject to the foregoing requirements. If the Notes are not rated by a Rating Agency or the Remarketing Agent does not compute the average mentioned above, the Remarketing Agent will set the Weekly Rate at 55% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on

which the Comptroller was to have set the Weekly Rate. Upon delivery to the Trustee of an Opinion of Bond Counsel that such action will not adversely affect the exemption of interest on the Notes of such Series from Federal income taxation, the City, acting through its Comptroller, may designate a new method of setting the Weekly Rate in the event any of the above-described methods is unavailable or unrealistic in the market place.

(3) Commercial Paper Rate.

(i) Determination of Commercial Paper Rate. The Commercial Paper Rate for each Note of a Series bearing interest at a Commercial Paper Rate will be determined by the Comptroller on the first Business Day of each Commercial Paper Rate Period applicable to such Note. Each Commercial Paper Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell such Note on such date at its principal amount.

If for any reason the Comptroller does not set a Commercial Paper Rate for any Commercial Paper Rate Period or a court holds that the rate set for such Commercial Paper Rate Period is invalid or unenforceable, the Commercial Paper Rate for such Note for such period will be the earliest 30-day, 60-day or 90-day tax-exempt commercial paper rate published each day by Munifacts Wire System, Inc. (or its replacement as provided in Section 3(c)(1)), and representing, as of the date of determination, the average of 30-day (if such Commercial Paper Rate Period is from one to 30 days in length), 60-day (if such Commercial Paper Rate Period is from 31 to 60 days in length) or 90-day (if such Commercial Paper Rate Period is from 61 to 180 days in length), as the case may be, yield evaluations at par of securities, the interest on which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. If Munifacts Wire System, Inc. (or its replacement) does not publish a 30-day, 60-day or 90-day tax-exempt commercial paper rate, as the case may be, on the day on which a Commercial Paper Rate is to be set, the Commercial Paper Rate of such Note for such period shall be the applicable percentage of the interest rate (the "Commercial Paper Base Rate") for 30-day, 60-day, or 90-day, as the case may be, taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the first Business Day of such Commercial Paper Rate Period as determined on the basis of the table set forth below.

Term of Next Succeeding Commercial Paper Rate Period	Applicable Percentage of Commercial Paper Base Rate
1-30 days	50%
31-60 days	52%
61-180 days	54%

(ii) Determination of Commercial Paper Rate Periods by Comptroller. While the Notes of any Series bear interest at a Commercial Paper Rate, the length of each Commercial Paper Rate Period (which may be from one to 180 days) for each Note of such Series shall, if the Comptroller's direction pursuant to Section 3(d)(1) so requires, be determined by the Comptroller based upon the Comptroller's judgment that such length

will be beneficial to the market for, or the relative yield of, such Note based upon the factors set forth in Section 3(d)(2).

(iii) Determination of Commercial Paper Rate Periods by Remarketing Agent. While the Notes of any Series bear interest at a Commercial Paper Rate as a result of the City's direction pursuant to Section 3(d)(1) the Commercial Paper Rate Period for each Note shall be determined by the Remarketing Agent pursuant to Section 3(d)(1) unless the Comptroller's direction requires the Comptroller to make such determinations, in which event the Comptroller shall make such determinations as described in the preceding paragraph.

(iv) Limitations. Notwithstanding the foregoing:

(1) no Commercial Paper Rate Period shall be established for any Series of Notes unless the Letter of Credit securing such Notes terminates no earlier than twenty (20) days after the last day of such Commercial Paper Rate Period;

(2) if the Remarketing Agent or the Comptroller have previously determined that the Notes of any Series are to bear interest at a rate other than the Commercial Paper Rate effective as of a future date, no new Commercial Paper Rate Period shall be established for such Series unless the last day of such Commercial Paper Rate Period occurs on or before the effective date of the change to such other rate; and

(3) if neither the Comptroller nor the Remarketing Agent sets the length of a Commercial Paper Rate Period for any Note of any Series when it is required to do so, a new Commercial Paper Rate Period lasting 30 days (or until the earlier stated maturity of the Notes of such Series) will follow.

(4) Fixed Rate. The Comptroller will set a Fixed Rate for any Series of Notes on a date (the "Determination Date") no fewer than 7 nor more than 15 Business Days before the beginning of the period (the "Fixed Rate Period") in which interest on the Notes of any Series will be payable at a Fixed Rate to the maturity of such Series of Notes. The Fixed Rate for any Series will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the Determination Date at their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Fixed Rate for a Fixed Rate Period or a court holds that the rate set for a Fixed Rate Period is invalid or unenforceable, the rate for the Fixed Rate Period will be determined by the Remarketing Agent and will be the yield shown for "Municipal Bonds (New Issue Scales: Prime-Grade GO)" having the same number of years to maturity as the number of 12-month periods in the Fixed Rate Period, as published in the last issue before the Determination Date of the Salomon Brothers Inc Bond Market Roundup. If that issue does not publish a yield for bonds having such number of years to maturity, the Fixed Rate will be determined by linear interpolation between the yields shown in that issue for bonds having the next shorter and next longer number of years to maturity. If the Fixed Rate Period is six months, the Fixed Rate shall be equal to the yield shown for "Short Term Rates (6 Month: Mig 1 Notes)", in that Bond Market Roundup; if the Fixed Rate Period is longer than six months but less than one year, the Fixed Rate will be determined by linear interpolation between that yield and the yield

shown for the next longer maturity under "Municipal Bonds (New Issue Scales: Prime-Grade GO)". If the yields required to determine the Fixed Rate have not been published in the 30 days before the Determination Date, the Remarketing Agent will determine the Fixed Rate as of a date within 30 days before the Determination Date by likewise using or interpolating from its index for prime municipal obligations of the same maturity as the length of the Fixed Rate Period.

(5) The Interest Rate Determination Method for each Series of the Notes upon the initial delivery thereof shall be determined by the Comptroller based upon the Comptroller's judgment that such Method will be beneficial to the market for, or the relative yield of, each Series of Notes based upon the factors set forth in Section 3(d)(2).

If any Series of the Notes is initially delivered bearing interest at a Commercial Paper Rate from and after the end of the initial Commercial Paper Rate Period such Series of Notes shall bear interest at a Daily Rate unless another Interest Rate Determination Method is designated pursuant to Sections 3(d)(1) or 3(d)(2) for such Series Notes.

(d) Change in Interest Rate Determination Method.

(1) Change Directed by the City. The City may, acting through the Comptroller, change the method of determining the interest rate on the Notes of any Series by notifying the Paying Agent, Bank and Remarketing Agent at least 20 days prior to the proposed effective date of such change. Such notice shall contain (a) the effective date, (b) the proposed interest rate determination method, (c) if the change is to a Short Term Rate, the first Monthly Rate Evaluation Date, if any, upon which the determinations required pursuant to paragraph (2) below are to be made and whether or not such determinations are to be made by the Remarketing Agent, (d) if the change is to a Commercial Paper Rate, whether the length of the Commercial Paper Rate Periods will be set by the Comptroller or the Remarketing Agent and (e) if the change is to a Fixed Rate, the Determination Date. The notice must be accompanied by an Opinion of Bond Counsel stating that the change is not prohibited by the laws of the State or this Ordinance and will not adversely affect the exemption of interest on the Notes from Federal income taxation. If the Comptroller's notice complies with this paragraph, the interest rate on the Notes of such Series will be payable at the new rate on the effective date specified in the notice until there is another change as provided in this Section.

The Comptroller, upon delivering the opinions of counsel referred to in the preceding paragraph, may (a) make the determinations on each Monthly Rate Evaluation Date pursuant to paragraph (2) below or to cease to make such determinations for a specific or indefinite period of time, (b) while the Notes of any Series bear interest at a Commercial Paper Rate, require the Remarketing Agent to set the length of each Commercial Paper Rate Period pursuant to Section 3(c)(3)(iii) or to cease to do so for a specific or indefinite period of time or (c) override a determination made by the Remarketing Agent pursuant to paragraph (2) below provided that notice of redemption pursuant to Section 3(e) has not yet been given.

(2) Change Directed by the Remarketing Agent. Unless directed not to do so pursuant to the paragraph (1) above, the Remarketing Agent shall consider on each Monthly Rate Evaluation Date whether the method of determining the interest rate on any

Series of the Notes should be changed to a different method of Short Term Rate because in the Remarketing Agent's judgment, conversion to a different Short Term Rate will be beneficial to the market for, or the relative yield of, such Series of Notes. If a change is to be made, the Remarketing Agent will promptly so notify the Paying Agent, the City and the Bank and will specify the effective date of the change. For purposes of this paragraph (2), the Remarketing Agent's determination that a different Short Term Rate will be "beneficial to the market for, or relative yield of, such Series of Notes" shall be based upon (a) the performance of such Series of Notes, measured by market supply and demand and yield, relative to other securities which bear interest at the current rate or the other Short Term Rates or which, in the judgment of the Remarketing Agent, are otherwise comparable to such Series of Notes, or (b) any fact or circumstance relating to such Series of Notes or affecting the market for such Series of Notes or affecting such other comparable securities in a manner which, in the judgment of the Remarketing Agent will affect the market for such Series of Notes, which in any event leads the Remarketing Agent to conclude that such Series of Notes should bear interest at the Short Term Rate specified in such notice. As used in this paragraph (2), "beneficial" means beneficial to the City. The Remarketing Agent may use or not use any inputs and resources it deems appropriate, which may but need not include conversations with the City, and will make its decision based solely upon its judgment. On the effective date specified in such notice, unless a different determination shall have been made by the Remarketing Agent on an intervening Monthly Rate Evaluation Date or by the City pursuant to the paragraph (1) above, the Notes of such Series shall bear interest at the Short Term Rate specified in such notice. The notice must be accompanied by an Opinion of Bond Counsel stating that the change will not adversely affect the exemption of interest on the Notes from Federal income taxation.

The Remarketing Agent will not have any obligation, responsibility or liability of any kind to the Noteholders, the City, the Bank or to any other person with respect to any determination that the Notes of any Series will or will not bear interest at the current or any other Short Term Rate or the Fixed Rate, including but not limited to any omission by the Remarketing Agent to consider any facts or circumstances or any resources or inputs, it being the intent of this Ordinance that the Remarketing Agent may, in its unrestricted judgment, choose to consider no inputs or resources other than its own expertise.

(3) Limitations. Any change in the method of determining interest on the Notes of any Series pursuant to either paragraph (1) or paragraph (2) above must comply with the following:

(i) if a Commercial Paper Rate is then in effect, the effective date of any change must be the day following the last day of the Commercial Paper Rate Period of all Notes of such Series;

(ii) the effective date of all changes must be the first day of a month; and

(iii) no change shall be made in the interest rate determination method at the direction of the City pursuant to Section 3(d)(1) or at the direction of the Remarketing Agent pursuant to 3(d)(2) hereof if the Paying Agent shall receive written notice prior to such change that the Opinion of Bond Counsel required under Section 3(d)(1) or Section 3(d)(2), as the case may be, has been withdrawn. If the Paying Agent shall have sent any

notice to the Noteholders regarding a change in rate under Section 3(e) than in the event of such withdrawal of opinion, the Paying Agent shall promptly notify all Noteholders of such withdrawal.

(e) Notice to Noteholders of Change in Interest Rate Determination Method. When a change in the interest rate determination method is to be made as to any Series of Notes, the Paying Agent will notify the Noteholders of such Series by first class mail at least 15 but not more than 60 days before the effective date of the change. The notice will be accompanied by the Opinion of Bond Counsel required by Section 3(d)(1) or Section 3(d)(2), as the case may be. The notice will state:

(1) that the interest rate determination method will be changed and what the new method will be,

(2) the effective date of the new rate,

(3) a description of the new method and the maximum interest rate, that the Remarketing Agent will provide each new rate (and Commercial Paper Rate Period when applicable) upon request and describing how to make such request,

(4) the Interest Payment Dates and Record Dates in the new period,

(5) whether the Noteholders of such Series have a right to tender their Notes during the new period and, if they do, the procedures to follow, and

(6) that a mandatory redemption of the Notes of such Series will result on the effective date of the change as provided in the Notes, all the information required by this Ordinance to be included in a notice of redemption set forth in Section 11, that the owner may waive such redemption and the manner of waiving such redemption.

In addition, if the change is to a Fixed Rate, the notice will state

(1) the Determination Date,

(2) the name of the newspaper in which, and the date on which, the Fixed Rate will be published as provided below,

(3) the end of the Fixed Rate Period, which shall be the maturity date of the Notes of such Series,

(4) any ratings assigned the Notes of such Series by the Rating Agencies effective on the change,

(5) that during the Fixed Rate Period there will be no right to tender the Notes,

(6) the redemption provisions to which the Notes are subject during the Fixed Rate Period, and

(7) that during the Fixed Rate Period Notes may be issued in denominations of \$5,000 or integral multiples of \$5,000.

If the change is to a Fixed Rate, at least 5 Business Days before its effective date the Paying Agent will publish notice of the new rate in a financial newspaper customarily published each business day and generally circulated in the Borough of Manhattan in New York, New York.

In addition, if the change is to a Commercial Paper Rate, the notice will state

(1) during the Commercial Paper Rate Period there will be no right to tender the Notes of such Series,

(2) that on the last day of each Commercial Paper Rate Period the Notes of such Series will be redeemed unless the owner waives such redemption and setting forth the manner of waiving such redemption, and

(3) that no notice of any such redemption will be given to the Noteholder.

(f) Calculation of Interest. The Paying Agent will compute the amount of interest payable on the Notes from the rates supplied to the Paying Agent by the person setting them. The Remarketing Agent will notify the Paying Agent in writing or by telephone promptly confirmed by tested telex by 12:00 noon, New York City time,

(1) on the first Business Day after a month in which interest on the Notes is payable at a Daily Rate, of the Daily Rate for each day in such month,

(2) on the last Tuesday in each month (or if such Tuesday is not a Business Day, on the next Business Day) in which a Weekly Rate was set in such month, of the Weekly Rate for each day in such month,

(3) on the first Business Day of each Commercial Paper Rate Period, of the length thereof and the Commercial Paper Rate, and

(4) on the first Business Day after a Determination Date, of the Fixed Rate set on that Determination Date.

Using the rates supplied by this notice, the Paying Agent will calculate the interest payable on the Notes. The Remarketing Agent will inform the Paying Agent, Comptroller and Bank orally at the oral request of any of them of any interest rate set by the Comptroller or the Remarketing Agent. The Comptroller will inform the Remarketing Agent of any interest rate set by the Comptroller. The Paying Agent will confirm the effective interest rate by telephone or in writing to any Noteholder who requests it in any manner.

The setting of the rates and the calculation of interest payable on the Notes as provided in this Ordinance will be conclusive and binding on all parties.

(g) The Notes and the certificate of authentication to be executed on the Notes by the Registrar are to be in substantially the form thereof set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Ordinance and provided, further, that in the issuance of any new Note resulting from a tender of a Note, or a portion thereof, which tendered Note has been previously called for redemption, in the preparation of such new Note the Registrar shall insert the redemption date rather than the stated maturity date for such Note.

(h) The Notes shall be subject to redemption at par and accrued interest, if any, prior to the maturity thereof, as follow:

(i) Each Series of Notes bearing interest at a Daily Rate or a Weekly Rate shall be subject to optional redemption by the City on the first day of each month, as a whole and pursuant to the procedures in Section 11 hereof.

(ii) Each Series of the Notes bearing interest at a Fixed Rate shall be subject to optional redemption by the City on any Interest Payment Date, as a whole and pursuant to the procedures in Section 11 hereof.

(iii) All Notes (or if different Letters of Credit are issued in respect of separate Series of Notes, then all Notes of such Series) shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement. If either of such events occur the Notes shall be called for mandatory redemption in accordance with the provisions of clause (b) of Section 11 hereof.

(iv) The Notes are subject to redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes".

(v) The Series 1986C Notes shall be subject to mandatory redemption by the City, in part by lot, pursuant to the procedures in Section 11 hereof, on October 31, 1989, and in the amount of \$7,500,000.

In the event of the purchase by the City of less than all of the Series 1986C Notes for cancellation as provided in clause (j) of this Section 3, the principal amount of such Series 1986C Notes to be paid at maturity in 1990 or required to be mandatorily redeemed shall be reduced in the inverse order of such payment at maturity or mandatory redemption, as the case may be.

(i) Any Noteholder of a Note bearing interest at a Daily Rate or at a Weekly Rate has the right, subject to the provisions of the second succeeding paragraph, to tender a Note, or

a portion thereof, provided that such portion is \$100,000 or any multiple thereof, for payment and to receive payment therefor, all as provided in the form of the Notes.

The Paying Agent shall deposit in the Custody Account any Notes tendered and not remarketed by the Remarketing Agent and the Registrar shall register any such Notes in the name of the Bank in the books of the Registrar kept pursuant to Section 8 hereof. Such Notes shall not be remarketed unless the Paying Agent shall have received an Opinion of Bond Counsel stating that such remarketing will not adversely affect the exemption of interest on such Notes from federal income taxation.

If an Event of Default, as defined in Section 32 hereof, has occurred and is continuing, and the Trustee has notified the Paying Agent that it has given Notice by Mail to the Noteholders of a declaration that all the Notes are due and payable as provided in Section 32 hereof, none of the Notes shall be subject to tender prior to the maturity thereof.

Provided that sufficient funds are available on such date of tender for the payment of the principal amount of and accrued interest on any Note, or portion thereof, for which proper notice of tender has been given to the Paying Agent, then whether or not such Note shall have been delivered to the Paying Agent, from and after such date such Note, or such portion thereof, shall cease to bear interest and shall no longer be deemed to be Outstanding hereunder. If (i) the Noteholder has not specified the number of the Note, or portion thereof, for which such notice of tender has been given, (ii) such Noteholder fails to tender such Note, or portion thereof, for which proper notice of tender has been given and (iii) such Noteholder is the owner of Notes of the Series regarding which such notice of tender has been given in excess of the amount for which such tender notice has been given, the Registrar in its absolute discretion is authorized to determine which of such Notes, or portions thereof, of such Series owned by such Noteholder shall be deemed tendered and no longer Outstanding. The Registrar shall give prompt telephonic, telex or telegraphic notice of such determination to such Noteholder, the Paying Agent and the Remarketing Agent; provided, however, that if such notice is by telephone, such notice shall be promptly confirmed in writing. Any such determination by the Registrar shall be conclusive and binding on the Paying Agent, Remarketing Agent and such Noteholder and his successors and assigns. The Registrar is authorized to issue a new Note in lieu of such Note as to which tender notice has been received as if such Note had been tendered.

(j) The City, acting through its Comptroller, reserves the right to purchase for cancellation any Note tendered for payment pursuant to clause (i) of Section 3 or to purchase any Note held in the Custody Account, upon notice to the Paying Agent and the Remarketing Agent given by irrevocable telephone, telex or telegraphic communication by the Comptroller not later than 2:00 P.M. on the Business Day preceding such day of purchase stating the principal amount and Series of Notes to be purchased; provided, however, that if such notice is by telephone such notice shall be promptly confirmed in writing by the Comptroller.

Any Notes so purchased for cancellation shall be selected first from Notes on deposit in the Custody Account and thereafter from any Notes as such become available upon tender.

(k) The Notes shall be issuable only as fully registered Notes (registered both as to principal and interest and not registered to "Bearer") in the denomination of \$100,000 or integral multiples thereof, except Notes of any Series bearing interest at a Fixed Rate which shall be in the denomination of \$5,000 or integral multiples thereof. Notes of each Series (i) shall be numbered from 1 consecutively upwards, (ii) shall contain an appropriate prefix to such numbers to identify such Series, and (iii) shall be of a different color than the color of the Notes for any other Series.

The principal of Notes shall be payable to the Noteholders upon presentation and surrender of such Notes as they respectively become due at the Principal Office of the Paying Agent. Interest on Notes shall be paid to the Noteholders on the Interest Payment Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to the address of such Noteholder as it appears on the registration books maintained pursuant to Section 8 hereof. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the Noteholder maintained at the Paying Agent. Such payment of interest shall be to the Noteholders of record on the registration books maintained pursuant to Section 8 hereof as of the close of business on the Record Date; except that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Noteholders in whose name any such Notes (or any Note or Notes issued upon transfer or exchange thereof) are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest.

All Notes will be dated the date of their authentication.

Interest on the Notes will accrue and be payable during the periods and at the times provided for in the form of the Notes.

Execution of Notes.

SECTION 4. Each of the Notes shall be signed and executed on behalf of the City by the facsimile signatures of the Mayor and the City Comptroller and attested by the facsimile signature of its City Clerk, and the corporate seal of the City shall be impressed, printed or lithographed on each Note. The Notes bearing the facsimile signatures of individuals who were at the time of the execution thereof the proper officers of the City shall bind the City notwithstanding that such individuals shall cease to hold such offices prior to the registration, authentication or delivery of such Notes or shall not have held such offices at the dated date of such Notes.

Delivery and Registration.

SECTION 5. No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided in Exhibit A hereto, executed by the Registrar by manual signature, and such certificate upon any such Note shall be conclusive evidence, and the only evidence that such Note has been duly authenticated, registered and delivered.

General Obligation.

SECTION 6. Each Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources. Each Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid the principal of and interest on each Note issued pursuant to this Ordinance at the place, at the time and in the manner provided herein and in the Notes to the true intent and meaning thereof.

*Lost, Destroyed, Improperly Cancelled or
Undelivered Notes.*

SECTION 7. If any Note, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Registrar may authenticate a new Note of like Series, date and denomination and bearing a number not contemporaneously outstanding; provided that (a) in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Registrar and (b) in the case of any lost Note or Note destroyed in whole, there shall be first furnished to the Registrar evidence of such loss or destruction, together with indemnification of the City, the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, satisfactory to such Registrar. In the event any lost, destroyed or improperly cancelled Note shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Note, the Registrar shall pay the same without surrender thereof if there shall be first furnished to the Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Note, the Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Registrar may charge the Noteholder with the Registrar's reasonable fees and expenses in connection with any transaction described in this Section 7 except for improper cancellation by the Registrar.

If a Note is called for redemption and the City elects to purchase the Note in lieu of redemption as provided in Section 11 and funds are deposited with the Paying Agent sufficient for the purchase, whether or not the Note called for redemption is ever delivered, interest on such Note shall cease to be payable to the prior holder thereof from and after the purchase date, such holder shall cease to be entitled to the benefits or security of this Ordinance and shall have recourse solely to the funds held by the Paying Agent for the purchase of such Note and the Registrar shall not register any further transfer of such Note by such prior holder.

All Notes shall be owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of lost, destroyed or improperly cancelled Notes, notwithstanding any law or statute now existing or hereafter enacted.

Transfer, Registration and Exchange of Notes.

SECTION 8. The Registrar shall maintain and keep, at its Principal Office, books for the registration and transfer of Notes, which at all reasonable times shall be open for inspection by the City and the Trustee. The Registrar shall use its best efforts to make all necessary provisions to permit the exchange or registration of transfer of Notes at its Principal Office on the same Business Day on which such Notes are presented to it.

The transfer of any Note shall be registered upon the books of the Registrar at the written request of the Noteholder or his attorney duly authorized in writing, upon surrender thereof at the Principal Office of the Registrar, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Noteholder or his duly authorized attorney and instructions to the Paying Agent as to the method of payment requested.

The City, the Trustee, the Paying Agent, the Registrar and the Remarketing Agent may deem and treat the Noteholder as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on, or the purchase price of, such Note and for all other purposes, and neither the City, the Trustee, the Paying Agent, the Registrar nor the Remarketing Agent shall be affected by any notice to the contrary. All such payments so made to any such Noteholder shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Notes, upon surrender thereof at the Principal Office of the Registrar may, at the option of the Noteholder, be exchanged for an equal aggregate principal amount of Notes of any authorized denomination of the same Series and bearing interest pursuant to the same Interest Rate Determination Method as all other Notes of such Series.

In all cases in which the privilege of exchanging Notes or registering the transfer of Notes is exercised, the City shall execute and the Registrar shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. For every such exchange or registration of transfer of Notes, whether temporary or definitive, the Registrar may make a charge only in an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, which sum or sums shall be paid by the person requesting such exchange or registration of transfer as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer. During any Fixed Rate Period for any Series of Notes, the Registrar shall not be obligated to make any such exchange or registration of transfer of Notes during the ten (10) days next preceding the date of the mailing of notice of any proposed redemption of Notes nor shall the Registrar be required to make any exchange or registration of transfer of any Notes called for redemption.

Upon each registration of transfer of a Note bearing interest at a Commercial Paper Rate, the Paying Agent shall give written notice to the transferee that (a) no notices of the length of any Commercial Paper Rate Period or the Commercial Paper Rate borne by his Note during such period will be given to the owner of the Note, but that such information may be obtained, upon request, from the Remarketing Agent and setting forth the manner that such information may be obtained, (b) any Note bearing interest at a Commercial Paper Rate will be redeemed on its Interest Payment Date unless the owner chooses to

waive such redemption and setting forth the manner in which such redemption may be waived and (c) that no notice of any such redemption will be given to the Noteholder.

Upon each registration of transfer while the Notes bear interest at a Commercial Paper Rate, or at any time the Paying Agent comes into possession of a Note bearing interest at a Commercial Paper Rate, the Paying Agent prior to any delivery of such Note to a Noteholder will attach, to the extent not already attached, and will make the appropriate insertions in, the Schedule attached to the form of Note in Exhibit A.

Temporary Notes.

SECTION 9. Pending the preparation of definitive Notes, the City may execute and the Registrar shall authenticate and deliver temporary Notes. Temporary Notes may be issuable as Notes of any authorized denomination and substantially in the form of the definitive Notes but with omissions, insertions and variations as may be appropriate for temporary Notes, all as may be approved by the City, as evidenced by the execution and delivery thereof. Temporary Notes may contain such reference to any provisions of this Ordinance as may be appropriate. Every temporary Note shall be executed by the City and be authenticated by the Registrar upon the same conditions and in substantially the same manner, and with like effect, as the definitive Notes. As promptly as practicable the City shall execute and shall furnish definitive Notes and thereupon temporary Notes may be surrendered in exchange therefor without charge at the Principal Office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Notes a like aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged the temporary Notes shall be entitled to the same benefits under this Ordinance as definitive Notes.

Cancellation of Notes.

SECTION 10. All Notes which shall have been surrendered to the Paying Agent for payment or redemption, and all Notes which shall have been surrendered to the Registrar for exchange or registration of transfer, shall be cancelled by the Registrar. The Registrar shall furnish to the City, the Trustee, the Paying Agent, the Bank and the Remarketing Agent, a certificate evidencing such cancellations and specifying such Notes by number.

Procedure for Redemption and Purchases in Lieu of Redemption.

SECTION 11. (a) In the event any of the Notes are called for redemption pursuant to subclause (i) or (ii) of clause (h) of Section 3, and the Paying Agent has received from the City notice of such redemption at least 45 days prior to the designated redemption date, or when any of the Series 1986C Notes are to be mandatorily redeemed pursuant to subclause (v) of clause (h) of Section 3, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) if less than all of the Notes are to be redeemed, specify the Series designation of the Notes so to be redeemed, and, if less than all of the Notes of any Series are to be redeemed, specify the particular Notes to be redeemed, identified by number, and the respective principal amounts of such

Notes to be so redeemed, (iii) state any condition to such redemption, and (iv) state that on the redemption date, and upon the satisfaction of any such condition, the Notes to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by Mail to the Noteholders so affected at least thirty (30) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been given, whether or not actually received by the addressee. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(b) In the event any of the Notes are called for redemption pursuant to subclause (iii) of clause (h) of Section 3 hereof, within five Business Days after the receipt by the Paying Agent of the notice to be given by the Bank pursuant to such subclause, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes, or Series of Notes, to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Notes, or Series of Notes, to be redeemed shall cease to bear interest. Such notice may set forth additional information relating to such redemption. Unless the Paying Agent shall have received notice from the Bank rescinding the notice given pursuant to subclause (iii) of clause (h) of Section 3 of this Ordinance, notice shall be given by mail to the Noteholders not less than five (5) days nor more than ten (10) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(c) When Notes are called for redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes", and the Notes provide that they will be redeemed or purchased by the City, the City may direct the purchase of some of or all the Notes called for redemption if it gives a notice to the Paying Agent and the Bank by the day before the redemption date that it wishes the Notes to be purchased, the principal amount of which is specified in the notice. The Paying Agent will purchase Notes called for redemption pursuant to the paragraph in the Notes captioned, "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" unless otherwise instructed in writing by the City before the redemption date.

(d) When Series 1986C Notes are called for redemption as provided in Section 3(h)(v) hereof, the particular Series 1986C Notes to be mandatorily redeemed shall be selected by the Registrar in denominations of \$100,000 or \$5,000, as the case may be, or any integral multiple thereof.

If it is determined that one or more, but not all, of the \$100,000 or \$5,000, as the case may be, units of principal amount represented by any Series 1986C Note is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Noteholder shall forthwith surrender such Series 1986C Note to the Paying Agent for (i) payment to such Noteholder the redemption price of such unit or units of principal amount called for redemption and (ii) delivery to such Noteholder of a new Series 1986C Note or Notes in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 1986C Note, without charge therefor.

If the Noteholder of any such Series 1986C Note of a denomination greater than \$100,000 or \$5,000, as the case may be, shall fail to present such Series 1986C Note to the Paying Agent for payment and exchange as aforesaid, such Series 1986C Note shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the applicable unit or units of principal amount called for redemption (and to that extent only).

(e) Notes purchased pursuant to tenders as provided in the Notes or in lieu of redemption as provided in the foregoing Section will be offered for sale by the Remarketing Agent as provided in this Section except as follows:

(i) Notes purchased pursuant to a tender after having been called for redemption pursuant to subclause (iii) of clause (h) of Section 3 will be canceled.

(ii) Notes called for redemption under "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate" in the Notes may be remarketed before the redemption date only if the buyer receives a copy of the redemption notice.

(iii) Notes deposited in the Custody Account may be remarketed only if the Opinion of Bond Counsel required by the second paragraph of Section 3(i) is provided to the Paying Agent.

(iv) Notes will be offered for sale under this Section during the continuance of an Event of Default or an event which with the passage of time or the giving of notice or both may become an Event of Default only in the sole discretion of the Remarketing Agent.

(f) Any Notes, or portions thereof, which have been duly selected for redemption shall be deemed to be paid and shall cease to bear interest on the specified redemption date, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders.

No Partial Redemption of Notes After Default.

SECTION 12. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default defined in clause (a), (b) or (c) of

the first paragraph of Section 32 hereof, there shall be no redemption of less than all of the Notes at the time Outstanding.

Creation of Note Fund.

SECTION 13. There is hereby created and established a trust fund to be designated "City of Chicago General Obligation Tender Notes, Series 1986, Note Fund." The Note Fund shall be held by the Trustee on behalf of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee, as their interests may appear. The Note Fund shall contain the following three accounts: the Series 1986A Notes Account; the Series 1986B Notes Account; and the Series 1986C Notes Account.

Deposits into Note Fund.

SECTION 14. The City shall deposit into the appropriate account within the Note Fund the moneys pledged under this Ordinance to the reimbursement of the Bank for the payment of the Notes under the Letter of Credit or for the payment of the Series 1986A Notes when necessary, unless a levy has been made as provided in Section 21 hereof, in which case, as such moneys become available, and as to the Series 1986B and Series 1986C Notes as such moneys become available and in accordance with the provisions of the Reimbursement Agreement. As to the Series 1986A Notes, such moneys shall consist of any funds lawfully available for the purpose of reimbursing the Bank for such payments under the Letter of Credit or for the purpose of paying principal of and interest on the Series 1986A Notes, which moneys shall include the proceeds of the collection of the taxes levied, if any, pursuant to Section 21 hereof. As to the Series 1986B Notes, such moneys shall consist of that part of the proceeds of the collection of the taxes levied for the year 1986 pledged by the City pursuant to Section 22 hereof. As to the Series 1986C Notes, such moneys shall consist of the proceeds of the collection of the taxes levied pursuant to Section 23 hereof and other moneys of the City legally available therefor.

The City may deposit lawfully available funds into any account of the Note Fund and may use lawfully available funds for the direct reimbursement of the Bank for the payment of Notes under the Letter of Credit or for direct payment to the Paying Agent for the payment of the principal of and interest on the Notes if the Bank fails to honor a proper draw on the Letter of Credit.

Use of Moneys in the Note Fund.

SECTION 15. Moneys deposited in the separate accounts within the Note Fund shall be remitted by the Trustee to the Bank in an amount sufficient, to the extent available therein, to reimburse the Bank for any draw under the Letter of Credit in accordance with the provisions of the Letter of Credit and the Reimbursement Agreement.

Any notification by the Bank to the Trustee in respect of prepayment of advances pursuant to the provisions of the Letter of Credit and Reimbursement Agreement shall constitute an authorized instruction to transfer funds to the Bank. If such notice is received by the Trustee prior to 2:00 P.M. the Trustee shall, to the extent sufficient funds are available in the appropriate account of the Note Fund, remit immediately available funds on such day to the Bank.

Moneys on deposit in the Note Fund shall be used to pay principal, interest or a tender or redemption price directly to the Paying Agent only at such time as the Bank has failed to honor a proper draw under the Letter of Credit. In all other events, principal, interest and tender and redemption prices on the Notes shall be paid first from the proceeds of the Letter of Credit, and moneys on deposit in the Note Fund shall be used to reimburse the Bank pursuant to the terms of Reimbursement Agreement.

In no event shall the Trustee remit any funds in any of the three accounts within the Note Fund to the Bank for the purpose of reimbursing the Bank for any draw on the Letter of Credit for the payment of principal or interest on the Notes or for purchase of any Note which is not payable from the particular account within the Note Fund or remit any funds in any of the three accounts within the Note Fund to the Paying Agent for the purpose of paying principal or interest on the Notes or for the purchase of any Note which is not payable from the particular account within the Note Fund. Payments from such accounts shall be made only to and for purposes for which such accounts have been created and designated.

Letter of Credit.

SECTION 16. (a) The Paying Agent, acting independently of the City but on behalf of and for the benefit of the Noteholders, shall draw moneys under the Letter of Credit in accordance with the terms thereof to make timely payments of principal of the Notes required to be made whether upon stated maturity or upon redemption and interest on the Notes on any Interest Payment Date.

(b) The Paying Agent shall also draw moneys under the Letter of Credit in accordance with the terms thereof to meet the requirements of Section 3(i) and Section 11(c) hereof.

On the date on which any Series of Notes bears interest at the Commercial Paper Rate, and on the first Business Day of each calendar month thereafter while such Series of Notes bears interest at a Commercial Paper Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 66 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate account of the Service Fund on such day to equal the accrued and unpaid interest on the Series of Notes outstanding on such date bearing interest at the Commercial Paper Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the maximum rate of interest on the Notes permitted by the Reimbursement Agreement.

On the first Business Day of each calendar month after any Series of Notes bears interest at a Fixed Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 66 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate

account of the Service Fund on such day to equal the accrued and unpaid interest on the Series of Notes outstanding on such date bearing interest at the Fixed Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the rate of interest on the Notes.

In the event that any Series of Notes bears interest at the Commercial Paper Rate or at a Fixed Rate and the interest coverage under the Letter of Credit shall exceed interest coverage for 66 days computed at the maximum rate of interest borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall make draws under the Letter of Credit at the times permitted therein to pay accrued and unpaid interest on the Series of Notes bearing interest at such Commercial Paper Rate or Fixed Rate.

(c) The City may, at its election and with the approval of the City Council, deliver to the Paying Agent an Alternate Letter of Credit provided that (i) the conditions precedent to such delivery as specified in the definition of Alternate Letter of Credit are satisfied; (ii) the City shall notify the Trustee, Paying Agent, Remarketing Agent and Bank not less than 30 days prior to the delivery thereof of its intent to deliver an Alternate Letter of Credit; and (iii) the Paying Agent shall give Notice by Mail to Noteholders of the intended delivery of such Alternate Letter of Credit not less than 15 days prior to the delivery of such Alternate Letter of Credit. Upon satisfaction of the preceding provisions the Paying Agent shall accept such Alternate Letter of Credit and promptly surrender the previously held Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. If at any time there shall cease to be any Notes Outstanding hereunder, the Paying Agent shall promptly surrender the Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. The Paying Agent shall comply with the procedures set forth in the Letter of Credit relating to the termination thereof.

(d) Following the receipt by the Paying Agent and the Remarketing Agent of a Noteholder's notice of intention to tender a Note as provided in clause (i) of Section 3 hereof, the Paying Agent shall, not later than 11:45 A.M., on the day on which such Note is to be tendered as provided in such notice, draw on the Letter of Credit an amount sufficient to pay the principal of and accrued interest on such Note to be tendered or deemed tendered. No later than 1:00 P.M. on the day on which such Note is to be tendered as provided in such notice, the Remarketing Agent shall notify the Paying Agent of the principal amount of the Notes which have been remarketed. No later than 2:00 P.M. on such day the Remarketing Agent shall pick up and pay for the remarketed Notes in immediately available funds, which funds shall be held for the benefit of the Bank. Any Notes not remarketed shall be deposited in the Custody Account until remarketed or purchased by the City pursuant to clause (j) of paragraph 3 hereof.

(e) Upon instructions from the Comptroller or the Trustee, the Paying Agent shall give telex, telegraphic or telephonic notice, such telephonic notice to be promptly confirmed in writing, to the Bank, Trustee, City, Remarketing Agent and the Registrar of any reduction in the amount of the Letter of Credit as a result of the payment or provision for payment of Notes, whether at maturity or upon redemption, or the cancellation of Notes pursuant to clause (j) of Section 3 hereof.

(f) So long as any of the Notes are Outstanding in accordance with the provisions hereof the City covenants to maintain the Letter of Credit in an amount sufficient to make timely payments of the principal of and interest on the Notes when due under the provisions hereof. The amount available to be paid under the Letter of Credit in respect of interest on the Notes shall be determined by the Comptroller and shall not exceed 215 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement.

Custody of Note Fund; Withdrawal of Moneys.

SECTION 17. The Trustee shall keep custody of the Note Fund and shall withdraw moneys from the Note Fund only for the purposes and in accordance with the provisions of Sections 15, 20 and 46 hereof. Pending the need for the funds in the Note Fund, the Trustee shall invest such funds in any investments permitted by the Reimbursement Agreement upon the direction of the Treasurer. The income from such investments shall be credited to the particular account within the Note Fund from which the investment was made.

All moneys required to be deposited with or paid to the Trustee for deposit into the Note Fund under any provisions hereof, all moneys withdrawn from the Note Fund or drawn under the Letter of Credit and held by the Trustee, and all investments held as a part of the Note Fund, shall be held by the Trustee, in trust for the benefit of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee, as their interests may appear.

Notes Not Presented for Payment.

SECTION 18. In the event any Notes shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders, the Paying Agent shall segregate and hold such moneys in the Service Fund, without liability for interest thereon, for the benefit of Noteholders who shall (except as provided in the following paragraph) thereafter be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Ordinance or relating to said Notes.

Any moneys which the Paying Agent shall segregate and hold in trust for the payment of the principal of or interest on any Note and which shall remain unclaimed for two years after such principal or interest has become due and payable shall, upon the City's, and, so long as the Reimbursement Agreement is in effect, the Bank's, written request to the Paying Agent, be paid to the City. After the payment of such unclaimed moneys to the City, the Noteholder shall thereafter look only to the City for the payment thereof, and all liability of the Trustee, the Paying Agent and the Bank with respect to such moneys shall thereupon cease.

Creation of Service Fund.

SECTION 19. Any moneys held by the Paying Agent representing moneys drawn under the Letter of Credit or paid over to the Paying Agent by the Trustee or the City, shall be held in trust by the Paying Agent in a trust account on behalf of the City and the

Noteholders, as their interests may appear, and to be designated "City of Chicago General Obligation Tender Notes, Series 1986, Service Fund" (the "Service Fund"). The Service Fund shall contain the following four accounts: the Series 1986A Notes Account, the Series 1986B Notes Account, the Series 1986B-2 Notes Account and the Series 1986C Notes Account. Moneys shall be deposited in the appropriate account reflecting the Series of Notes for which such moneys were received. The Paying Agent shall keep custody of the Service Fund and shall withdraw money therefrom only for the purpose of paying the principal of and interest on the Notes and for the purpose and in accordance with the provision of Sections 18 and 20 hereof.

The Series 1986A Notes Account, the Series 1986B Notes Account, the Series 1986B-2 Notes Account and the Series 1986C Notes Account shall each contain a Letter of Credit Subaccount and a General Subaccount. All moneys obtained under the Letter of Credit shall be deposited in the Letter of Credit Subaccount of the appropriate account and all other moneys held in the Service Fund shall be deposited in the General Subaccount of the appropriate account.

The Comptroller is hereby authorized to enter into such agreements with the Trustee providing for the further segregation of moneys held in the Service Fund or the Note Fund into additional subaccounts as may be necessary for carrying out the purposes of this Ordinance, including the sale of 1986B-2 Notes.

Pending the need for the funds in the Service Fund, the Paying Agent may invest such funds, at the direction of the Comptroller, in general obligations of, or obligations the principal of and interest on which are fully guaranteed as to timely payment by, the United States of America, which obligations shall have maturities not in excess of thirty (30) days from the date of such investment.

All amounts invested shall mature so as to insure timely payment on the Notes.

Payment to City.

SECTION 20. Any moneys remaining in the Note Fund after the right, title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, shall be paid to the City.

Except as provided in the last paragraph of Section 18 hereof, after all covenants, agreements and obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, any moneys remaining in the Service Fund shall be paid to the City.

Any moneys remaining in any account of the Note Fund or held by the Trustee or the Paying Agent for a particular series of the Notes shall be paid to the City after the right or title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders of such series shall have been satisfied and discharged in accordance with the provisions hereof.

The Trustee and the Paying Agent shall be entitled to rely upon notice from or confirmation by each individual entity that its interests have been satisfied in releasing such moneys.

*Tax Levy for Reimbursement of the Bank for Drawings to Pay
the Series 1986A Notes or for the Payment of the
Series 1986A Notes.*

SECTION 21. Unless the Comptroller shall certify to the Bank on or before December 1, 1986, that sufficient funds are legally available and will be used to reimburse the Bank on December 31, 1986 for a drawing or drawings under the Letter of Credit to pay the principal of and interest on the Series 1986A Notes, or to pay the principal of and interest on Series 1986A Notes, a tax levy ordinance shall be adopted by the City Council and a certified copy thereof filed with the County Clerks of Cook and DuPage Counties, Illinois, and a certified copy thereof mailed to the Bank, on or before December 31, 1986, such ordinance to levy an amount sufficient to reimburse the Bank for such drawing or drawings on or before December 31, 1987 or to pay the principal of and interest on the Series 1986A Notes if the Bank has failed to honor a proper draw under the Letter of Credit. If such reimbursement obligation or payment of principal of and interest on the Series 1986A Notes is thereafter paid from any other funds or revenues of the City prior to the extension date for such levy such taxes so levied shall be abated.

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes, if levied and collected, into the Note Fund in accordance with the terms of the Reimbursement Agreement.

*Pledge of Taxes for Reimbursement of the Bank for Drawings
to Pay the Series 1986B Notes or for the Payment of
the Series 1986B Notes from the Proceeds of
Certain Taxes Levied for the Year 1986.*

SECTION 22. From the proceeds of taxes levied by the City for the year 1986 for the Corporate Fund, Chicago Public Library (Maintenance and Operation) Fund, City Relief (General Assistance) Fund, Judgment Fund and Chicago Public Library (Building and Sites) Fund, the City Treasurer is hereby ordered and directed to deposit proceeds thereof into the Note Fund in an amount sufficient to reimburse the Bank in accordance with the terms of the Reimbursement Agreement or to pay the principal of and interest on the Series 1986B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

The City covenants that it will make no further borrowings payable from the proceeds of the taxes levied for the purposes referred to in this Section unless such borrowings are junior and subordinate in all respects to the City's obligation to reimburse the Bank for any draw under the Letter of Credit for the purpose of paying principal of and interest on the Series 1986B Notes or to pay principal of and interest on the Series 1986B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

*Levy of Taxes for Reimbursement of the Bank for Drawings
to Pay the Series 1986C Notes or for the Payment of
the Series 1986C Notes.*

SECTION 23. For the purpose of providing the funds required to reimburse the Bank for the payment of drawings to pay the principal of and interest (calculated at 6% per annum) on the Series 1986C Notes promptly as the same become due at maturity, or to pay the principal and interest on the Series 1986C Notes if the Bank has failed to honor a proper draw on the Letter of Credit there is hereby levied and there shall be collected the following direct annual tax upon all taxable property in the City:

For the Year	A Tax Sufficient to Produce the Sum of:
1986	\$4,050,000 for interest from February 1, 1986 to April 30, 1988
1987	\$1,800,000 for interest
1988	\$9,300,000 for interest and principal
1989	\$23,175,000 for interest and principal

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes so levied into the Note Fund in accordance with the terms of the Reimbursement Agreement.

Appropriations.

SECTION 24. The City shall appropriate amounts sufficient to reimburse the Bank at the times and in the amounts as provided in the Reimbursement Agreement and to pay the fees and expenses of the Trustee, Paying Agent, Remarketing Agent and Registrar in a timely manner and the City hereby covenants to take timely action as required by law to carry out the provisions of this Section, but, if for any such year it fails to do so, this Ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

Insufficiency of Taxes to Pay Reimbursement Obligations and the Letter of Credit Note.

SECTION 25. In the event that proceeds of the taxes levied or to be levied hereunder are not available in time to make any payments when due under the Reimbursement Agreement, then the Comptroller and the Treasurer of the City are hereby directed to make such payments in accordance with the Reimbursement Agreement from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advancement of the collection of the taxes and when the proceeds of such taxes are received such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of its obligations under the Reimbursement Agreement and the Letter of Credit Note as the same become due.

The Letter of Credit Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and

resources. The Letter of Credit Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid its obligations under the Reimbursement Agreement and the Letter of Credit Note at the place, at the time and in the manner provided therein.

In the event a payment is made in accordance with the Reimbursement Agreement as set forth above, the Comptroller shall promptly notify the City Council and set forth the reasons requiring such payment.

Filing of Ordinance.

SECTION 26. A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "County Clerks"), and such filing shall constitute the authority for and it shall be the duty of said County Clerks, in each year beginning in 1986 to and including 1989, to extend the taxes levied pursuant to Section 23 hereof for collection, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this Ordinance, duly certified by the City Clerk, shall also be filed with the Bank, the Paying Agent, the Remarketing Agent, the Registrar and the Trustee.

Disclosure Documents.

SECTION 27. The Mayor or the City Comptroller are hereby authorized to execute and deliver such disclosure documents with respect to the Notes as they shall deem appropriate on behalf of the City.

Proceeds of the Notes.

SECTION 28. The proceeds from the sale of the Notes shall be used as follows:

(a) From the proceeds of the Series 1986A Notes a sum sufficient shall be used to finance the current cash requirements of the City; provided, however, that \$50,000,000 of the proceeds shall be available immediately to meet current cash requirements and that the remaining \$50,000,000 shall be available for such purposes only upon the approval of the City Council.

(b) The proceeds of the \$80,500,000 Series 1986B Notes described in clause (ii) of paragraph (b) of Section 3 hereof shall be deposited in the following funds of the City in the following amounts:

(i) Corporate Fund -- \$20,400,000;

(ii) Chicago Public Library (Maintenance and Operation) Fund -- \$28,000,000;

(iii) City Relief (General Assistance) Fund -- \$12,730,000;

(iv) Judgment Fund -- \$18,170,000; and

(v) Chicago Public Library (Building and Sites) Fund -- \$1,200,000;

and used for the purpose of paying amounts appropriated for such respective funds for the year 1986. The proceeds of any additional Series 1986B Notes issued pursuant to Section 89 hereof shall be deposited in the Corporate Fund and used for the purpose of paying amounts appropriated for said Fund in the year 1986.

(c) The proceeds from the sale of the Series 1986C Notes shall be deposited in the appropriate funds of the City and used for the purpose of acquiring capital equipment as provided for in subclause (iii) of clause (b) of Section 3 hereof.

Performance of Covenants.

SECTION 29. The City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Ordinance, in any and every Note executed, authenticated and delivered hereunder, in the Reimbursement Agreement, in the Letter of Credit Note and the Remarketing Agreement, and in all proceedings pertaining thereto.

No Transfer of Letter of Credit.

SECTION 30. The Paying Agent shall not sell, assign or transfer the Letter of Credit except to a successor Paying Agent under this Ordinance and except as provided herein or in the Letter of Credit.

Arbitrage and Tax Exemption Covenant.

SECTION 31. (a) The City covenants for the benefit of the purchasers of the Notes that it will not act so as to cause the proceeds of the Notes, the earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Notes (whether such moneys were derived from the proceeds of the sale of the Notes or from other sources) to be used in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, or any comparable provision of any successor Internal Revenue Code of the United States of America.

(b) The City covenants for the benefit of the purchasers of the Notes that it will act with respect to the proceeds of the Notes, the earnings on the proceeds of the Notes and any other moneys on deposit in any fund or account maintained in respect of the Notes, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on the Notes to continue to be exempt from federal income taxation under Section 103 of the Internal Revenue Code of 1954, as amended, or any successor Internal Revenue Code of the United States of America. The Comptroller is hereby authorized to execute such agreements as shall be necessary, in the opinion of Bond Counsel, to evidence the City's compliance with the covenants contained in this paragraph.

Events of Default.

SECTION 32. Each of the following events shall constitute and is referred to in this Ordinance as an "Event of Default":

(a) a failure to pay the principal of the Notes when the same shall become due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on the Notes upon the day when the same shall become due;

(c) a failure to pay the principal of and accrued interest on any validly tendered Note under the provisions of clause (i) of Section 3 hereof, to the holder thereof upon the same Business Day such Note is tendered;

(d) a failure by the City to maintain the Letter of Credit as provided in this Ordinance;
or

(e) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b), (c), or (d) of this Section) contained in the Notes or in this Ordinance on the part of the City to be observed or performed, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Trustee and the City by Noteholders owning not less than 25% of the principal amount of Notes then Outstanding.

Upon the occurrence and continuance of any Event of Default described in the immediately preceding paragraph, the Trustee may, and at the written request of Noteholders owning not less than 25% in principal amount of Notes then outstanding, shall, by written notice to the City, the Remarketing Agent, the Paying Agent and the Bank, declare the Notes to be immediately due and payable, whereupon they shall, without further action, become and be immediately due and payable, anything in this Ordinance or in the Notes to the contrary notwithstanding, and the Trustee shall give notice thereof to the City and the Bank, and shall give notice thereof by Mail to all Noteholders owning Outstanding Notes.

Remedies.

SECTION 33. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Bank or Noteholders owning not less than 25% in principal amount of the Notes then Outstanding and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Noteholders, and require the City or the Bank to carry out any agreements with or for the benefit of the Noteholders and to perform its or their duties under this Ordinance and the Letter of Credit;

(b) bring suit upon the Notes; or

(c) by action or suit at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Noteholders.

In the event that notice of the occurrence and continuance of an Event of Default has been mailed, as provided in Section 32 hereof, the Paying Agent shall assign the Letter of Credit to the Trustee and the Trustee shall pursue all remedies thereunder and hereunder and shall assume all duties of the Paying Agent and Registrar.

*Rescission of Notice of Acceleration; Restoration
to Former Position.*

SECTION 34. (a) The provisions of clause (b) of Section 11 are subject to the condition that any rescission and annulment of the consequences of the receipt of notice given pursuant to subclause (iii) of clause (h) of Section 3 hereof may constitute a rescission and annulment of the consequences thereof hereunder only if such notice of mandatory redemption shall not have been given by Mail to the Noteholders as provided herein and the Trustee shall have received written notice from the Bank that the Letter of Credit in respect of which the Bank had previously given notice pursuant to subclause (iii) of clause (h) of Section 3 hereof has been reinstated to the amount covered by such Letter of Credit immediately preceding the giving of such notice by the Bank. Prompt notice of such rescission and annulment shall be given, if received by the Paying Agent prior to the notice by Mail to the Noteholders of such mandatory redemption, to the City, the Trustee, the Bank and the Remarketing Agent.

(b) In the event that any proceeding taken by the Trustee to enforce any right under this Ordinance shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee, the Bank, the Noteholders, the Paying Agent, the Registrar and the Remarketing Agent respectively, and all rights, remedies and powers of each of such parties shall continue as though no such proceeding had been taken.

Noteholders' Right to Direct Proceedings.

SECTION 35. Anything in this Ordinance to the contrary notwithstanding, the Noteholders owning a majority in principal amount of the Notes then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Ordinance or exercising any trust or power conferred on the Trustee by this Ordinance.

Limitation on Noteholders' Right to Institute Proceedings.

SECTION 36. No Noteholder, in its capacity as such, shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Notes, unless such Noteholder previously shall have given to the Trustee written notice of an Event of Default as

hereinabove provided and unless also Noteholders of not less than 25% in principal amount of the Notes then Outstanding shall have made written request of the Trustee so to do, after the right to institute said suit, action or proceeding shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the Noteholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder or under the Notes, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Noteholders.

No Impairment of Right to Enforce Payment.

SECTION 37. Notwithstanding any other provision in this Ordinance, the right of any Noteholder to receive payment of the principal of and interest on such Note, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Noteholder.

Proceedings by Trustee Without Possession of Notes.

SECTION 38. All rights of action (including the right to file proof of claims) under this Ordinance or under any of the Notes secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Notes, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Noteholders, subject to the provisions of this Ordinance.

No Remedy Exclusive.

SECTION 39. No remedy herein conferred upon or reserved to the Trustee, the Bank or to Noteholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No Waiver of Remedies.

SECTION 40. No delay or omission of the Trustee, the Bank or of any Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given hereunder to the Trustee, to the Bank and to the Noteholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Application of Moneys.

SECTION 41. Any moneys received by the Trustee, by any receiver or by any Noteholder pursuant to any right given or action taken under the provisions hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Paying Agent or the Registrar, such receiver or Noteholder, shall be deposited in the Note Fund and all moneys so deposited in the Note Fund during the continuance of an Event of Default (other than moneys for the payment of Notes which had matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default) shall be applied as follows:

(a) Unless the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Notes, with interest on overdue installments, if lawful, at the rate of six per cent per annum, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Notes which shall have become due (other than Notes called for redemption for the payment of which money is held pursuant to the provisions of the Ordinance) with interest on such Notes at the rate of six percent per annum from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Notes due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes, with interest on overdue interest and principal, as provided in clause (a) of this Section 41, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege. If principal and interest on the Notes and all other payments under this Ordinance have been paid, any amounts remaining shall be paid to the Bank, but only to the extent that funds are owed to the Bank as a result of draws on the Letter of Credit.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of clause (b) of Section 34, then, subject to the provisions of clause (b) of this Section 41 which shall be applicable in the event that the principal of all the Notes shall later become due and payable, the moneys shall be applied in accordance with the provisions of clause (a) of this Section.

Whenever moneys are to be applied pursuant to this Section 41, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due

regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Noteholders owning Outstanding Notes and shall not be required to make payment to any Noteholder until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Severability of Remedies.

SECTION 42. It is the purpose and intention of this Ordinance to provide rights and remedies to the Trustee, the Bank and the Noteholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee, the Bank and the Noteholders shall be entitled, as above set forth, to every other right and remedy provided in this Ordinance and by law.

Acceptance of Duties.

SECTION 43. The City hereby appoints Continental Illinois National Bank and Trust Company of Chicago, as Trustee and Irving Trust Company, as Paying Agent and Registrar for the purposes and upon the express terms and conditions set forth herein. The acceptance of the Trustee shall be evidenced by its execution of an acceptance of such trust and the acceptance of the Paying Agent and the Registrar shall be evidenced by its execution of an acceptance of such duties. No implied covenants or obligations shall be read into this Ordinance against the Trustee or the Paying Agent or the Registrar. The City and the Noteholders by their delivery and acceptance of delivery of any of the Notes agree to the terms set forth in the Ordinance.

No Responsibility for Recitals.

SECTION 44. The recitals, statements and representations contained in this Ordinance or in the Notes, save only the Registrar's authentication upon the Notes, shall be taken and construed as made by and on the part of the City, and not by the Trustee or the Paying Agent and Registrar, and the Trustee and the Paying Agent and Registrar do not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Limitations on Liability.

SECTION 45. The Trustee or Paying Agent or Registrar may execute any of the trusts or powers hereof and perform the duties required hereunder by or through attorneys, agents or receivers, and shall be entitled to, and may rely upon, written advice of counsel concerning all matters of trust and duty hereunder, and the Trustee or Paying Agent or Registrar shall not be answerable for the negligence or misconduct of any such attorney or agent selected with reasonable care. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance

and no others. The Trustee shall not be answerable for the exercise of any discretion or power under this Ordinance or for anything whatsoever in connection with the trust created hereby, except only for its own negligence or bad faith. The Trustee or Paying Agent or Registrar shall not be accountable for the use or application of the proceeds of any of the Notes issued hereunder.

Registrar and the Paying Agent shall at all times have and perform only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Registrar or the Paying Agent. Neither the Registrar nor the Paying Agent nor any of their respective officers, employees, attorneys or agents shall be liable to the City, any Noteholder, the Remarketing Agent or the Bank for any action taken or omitted to be taken hereunder except for negligence or willful misconduct provided that this sentence does not extend the duties established by, or limit the exculpatory effect of, any other provision of this Ordinance, and provided further that the Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by an officer of the Paying Agent and Registrar.

Compensation, Expenses and Advances.

SECTION 46. The Trustee, the Paying Agent and the Registrar under this Ordinance shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including the reasonable compensation and the expenses and disbursements of their agents and counsel) reasonably incurred in connection therewith except for such expenses incurred as a result of their negligence or bad faith. The City shall have the right to contest in good faith any fees or expenses of the Trustee, the Paying Agent and the Registrar without creating a default hereunder. If an Event of Default under this Ordinance shall otherwise exist, the Trustee, the Registrar and the Paying Agent shall have, in addition to any other rights hereunder, a claim, prior to the claim of the Noteholders and the Bank, for the payment of their compensation and the reimbursement of their expenses and any advances made by them, as provided in this Section, upon the moneys and obligations in the Note Fund, except for proceeds of drawings under the Letter of Credit and except for moneys or obligations deposited with or paid to the Paying Agent for the redemption or payment or purchase of tendered Notes which are deemed to have been paid in accordance with the provisions hereof and funds held pursuant to Section 18 hereof.

The Remarketing Agent shall be entitled to compensation and the reimbursement of expenses as provided in the Remarketing Agreement.

Notice of Events of Default.

SECTION 47. The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Ordinance other than an Event of Default under clause (a), (b), (c) or (d) of the first paragraph of Section 32 hereof, unless specifically notified in writing of such default or Event of Default by Noteholders owning at least 25% in principal amount of the Notes then Outstanding.

The Paying Agent shall give telegraphic or telex or telephonic notice to the Trustee, promptly confirmed in writing, of any Event of Default under clause (a) and (b) or, upon having notice thereof, (c) of the first paragraph of Section 32 hereof.

Several Capacities.

SECTION 48. Anything in this Ordinance to the contrary notwithstanding, the same entity shall serve as Paying Agent and Registrar and may serve hereunder as the Trustee, the Paying Agent, the Registrar and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law; provided, however, that any resignation of any such capacities by any such entity shall require the resignation of such entity from all such capacities; and provided, further, however, that the Paying Agent, Registrar and Remarketing Agent shall all have their principal offices in the City of New York, New York.

Good Faith Reliance.

SECTION 49. The Trustee, the Paying Agent and the Registrar in the absence of bad faith on their part, shall be protected and shall incur no liability in acting upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document or telephonic notice (where authorized by this Ordinance) which it shall believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Ordinance, or upon the written opinion of any attorney, engineer, accountant or other expert, and the Trustee, the Paying Agent and the Registrar shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Neither the Trustee, the Registrar, the Paying Agent, nor the Remarketing Agent shall be bound to recognize any person as a Noteholder or to take any action at his request unless his Note shall be deposited with such entity or satisfactory evidence of the ownership of such Note shall be furnished to such entity.

Any request or direction of the City as provided in this Ordinance shall be sufficiently evidenced by, and the Trustee, the Paying Agent and the Registrar may conclusively rely upon, a written instrument from the City signed by its Comptroller. As to any fact or circumstance concerning which the Trustee requests verification, the Trustee, the Paying Agent and the Registrar may conclusively rely upon a certificate signed by such Comptroller.

Dealings in Notes and With City.

SECTION 50. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, may buy, sell, own, hold and deal in any of the Notes issued hereunder for its own account or that of any other person, and may join in any action which any Noteholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, either as principal or agent, may also

engage in or be interested in any financial or other transaction with the City and may act as depository, trustee or agent for any committee or body of Noteholders secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

The City, acting through its Comptroller and Treasurer, may buy, sell, own and hold any of the Notes issued hereunder for its own account; provided, however, that such Notes may only be bought through the Remarketing Agent and provided further however, that such Notes may only be sold or remarketed if the City has received an Opinion of Bond Counsel stating that such sale or remarketing will not adversely affect the exemption of interest on the Notes from federal income taxation.

Resignation of Trustee.

SECTION 51. The Trustee may resign and be discharged of the trusts created by this Ordinance by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the City, the Paying Agent, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. If the successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 55.

Removal of Trustee.

SECTION 52. The Trustee may be removed at any time prior to any Event of Default by the City by filing with the Trustee to be removed, and with the Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing designating a successor and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

Appointment of Successor Trustee.

SECTION 53. In case at any time the Trustee shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Trustee and a successor may be appointed, and in case at any time the Trustee shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Trustee, the successor Trustee, the Paying Agent, Remarketing Agent and the

Bank, and to be given by Mail to all Noteholders. Any new Trustee so appointed by the City shall immediately and without further act supersede the predecessor Trustee.

Qualifications of Successor Trustee.

SECTION 54. Every successor Trustee (a) shall be a bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (iii) capable of meeting its obligations hereunder and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

Judicial Appointment of Successor Trustee.

SECTION 55. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Acceptance of Trusts by Successor Trustee.

SECTION 56. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, such predecessor Trustee and the City shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 46 hereof, such predecessor Trustee shall pay over and deliver to the successor Trustee all moneys and other assets at the time held by it hereunder.

Successor by Merger or Consolidation.

SECTION 57. Any corporation into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Ordinance, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

Standard of Care; Action by Trustee.

SECTION 58. Notwithstanding any other provisions of this Ordinance, the Trustee shall, during the existence of an Event of Default of which the Trustee has actual notice, exercise such of the rights and powers vested in it by this Ordinance and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances in the conduct of his own affairs; provided, however, that the Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder other than an Event of Default under clause (d) of the first paragraph of Section 32 hereof, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by Noteholders of at least 25% in principal amount of the Notes then Outstanding, and if, in its opinion such action may tend to involve it in expense or liability, unless furnished from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing proviso is intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provisions of this Ordinance to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Noteholders, or without such security or idemnity. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance and no others.

Duties of the Trustee.

SECTION 59. The Trustee covenants and agrees:

(a) to keep such books and records as shall be consistent with prudent industry practice, and to make such books and records available for inspection by the City at all reasonable times; and

(b) to provide such information and reports to the Comptroller and the Bank as shall be reasonably requested in writing by the Comptroller and the Bank.

Resignation of Paying Agent and Registrar.

SECTION 60. The Paying Agent and Registrar may resign and be discharged of the duties created by this Ordinance by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the City, the Trustee, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Paying Agent and Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent and Registrar. If the successor Paying Agent and Registrar shall not have been appointed within a period of 90 days following the giving of notice, then the Paying Agent and Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent and Registrar as provided in Section 64.

Removal of Paying Agent and Registrar.

SECTION 61. The Paying Agent and Registrar may be removed at any time prior to any Event of Default by the City by filing with the Paying Agent and Registrar to be removed, and with the Trustee, Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing, designating and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

Appointment of Successor Paying Agent and Registrar.

SECTION 62. In case at any time the Paying Agent and Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Paying Agent and Registrar and a successor may be appointed, and in case at any time the Paying Agent and Registrar shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Paying Agent and Registrar, the successor Paying Agent and Registrar, the Trustee, the Remarketing Agent and the Bank, and to be given by Mail to all Noteholders. Any new Paying Agent and Registrar so appointed by the City shall immediately and without further act supersede the predecessor Paying Agent and Registrar.

Qualifications of Successor Paying Agent and Registrar.

SECTION 63. Every successor Paying Agent and Registrar (a) shall be a commercial bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof, and (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

Judicial Appointment of Successor Paying Agent and Registrar.

SECTION 64. In case at any time the Paying Agent and the Registrar shall resign and no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent and Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent and Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent and Registrar.

Acceptance of Duties by Successor Paying Agent and Registrar.

SECTION 65. Any successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent and Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent and Registrar herein. Upon request of such Paying Agent and Registrar, such predecessor Paying Agent and Registrar, and the City shall execute and deliver an instrument transferring to such successor Paying Agent and Registrar all the estates, property, rights, powers hereunder of such predecessor Paying Agent and Registrar and, subject to the provisions of Section 46 hereof, such predecessor Paying Agent and Registrar shall pay over and deliver to the successor Paying Agent and Registrar all moneys and other assets at the time held by it hereunder.

Successor by Merger or Consolidation.

SECTION 66. Any corporation into which any Paying Agent and Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent and Registrar hereunder shall be a party, shall be the successor Paying Agent and Registrar under this Ordinance, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

Duties of Paying Agent.

SECTION 67. The Paying Agent (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Paying Agent will agree, particularly:

- (a) to hold all sums held by it for the payment of the principal of or interest on Notes in trust for the benefit of the Noteholders until such sums shall be paid to such Noteholders or otherwise disposed of as herein provided;
- (b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and
- (c) provide such information and reports to the Comptroller as shall be reasonably requested in writing by the Comptroller.

Duties of Registrar.

SECTION 68. The Registrar (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Registrar will agree, particularly:

(a) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and

(b) to provide such information and reports to the Comptroller as shall reasonably be requested in writing by the Comptroller.

Payments by Paying Agent and Registrar.

SECTION 69. Any provision of this Ordinance to the contrary notwithstanding, the Registrar and the Paying Agent shall never be required to make any payments or purchase any tendered Notes except from funds provided by the Bank, the Trustee, the City or the Remarketing Agent and no provision of this Ordinance shall require the Paying Agent and Registrar to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

Remarketing Agent.

SECTION 70. The City hereby approves Salomon Brothers, Incorporated as the initial Remarketing Agent. The Remarketing Agreement in substantially the form attached hereto as Exhibit B is hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized and directed to execute the same.

In the absence of any designated Remarketing Agent, notice to a Remarketing Agent shall not be necessary to a valid tender.

The Bank.

SECTION 71. The City hereby approves The Mitsubishi Bank, Limited New York Branch, as the Bank. The Reimbursement Agreement in substantially the form attached hereto as Exhibit C and a Letter of Credit Note in substantially the form attached hereto as Exhibit D are hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized to execute the same.

Limitations upon Rights.

SECTION 72. Notwithstanding any other provision of this Ordinance to the contrary, no right granted to the Trustee, Paying Agent, Remarketing Agent, Registrar or any other entity ever appointed in any capacity under this Ordinance shall ever be construed to grant to such entities, or any of them, any rights with respect to any properties or facilities of the City. The operations of the City are essential to the public welfare and safety and shall never be subject to any control, supervision or direction of such entities or any of them. Such entities, by their acceptance of the trusts and other obligations created under this Ordinance, hereby assent to the foregoing limitations and agree to be bound thereby for all purposes.

Note Insurance.

SECTION 73. The Comptroller is hereby authorized to obtain a policy of note insurance if it is determined by him to be desirable in connection with the marketing and remarketing of the Notes and the Trustee shall be authorized to receive the proceeds of any such policy for application pursuant to the provisions thereof.

Limitations on Amendments of this Ordinance.

SECTION 74. This Ordinance shall not be modified or amended in any respect subsequent to the issuance of the Notes except as provided in and in accordance with and subject to the provisions hereof.

Amendments Without Noteholder Consent.

SECTION 75. The City may, from time to time and at any time, without the consent of or notice to the Noteholders, but upon notice to, and with the written consent of, the Bank, the Trustee and the Paying Agent amend this Ordinance as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Ordinance;
- (b) to grant to or confer or impose upon the Trustee or the Paying Agent for the benefit of the Noteholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Ordinance as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee or the Paying Agent without its consent;
- (c) to add to the covenants and agreements of, and limitations and restrictions upon the City in this Ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Ordinance as theretofore in effect;
- (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Ordinance, or of any moneys, securities or funds;
- (e) to authorize a different denomination or denominations of the Notes and to make correlative amendments and modifications to this Ordinance regarding exchangeability of Notes of different denominations, redemptions of portions of Notes of particular denominations and similar amendments and modifications of a technical nature;
- (f) to comply with any applicable requirements of the Trust Indenture Act of 1939, as from time to time amended;
- (g) to modify, alter, amend or supplement this Ordinance in any other respect which is not materially adverse to the Noteholders or the Bank and which does not involve a change described in clause (i) or (ii) (iii) of Section 76(a) hereof and which, in the judgment of the Trustee (who may rely upon an opinion of Bond Counsel), is not to the material prejudice of the Trustee or the Paying Agent; and

(h) to provide any amendment necessary for uncertificated Notes or coupons and bearer Notes or Notes registered as to principal only.

Before the City shall amend this Ordinance pursuant to this Section, there shall have been delivered to the Trustee and the Paying Agent an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Ordinance, complies with the respective terms thereof, will, upon the adoption thereof, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

Amendments with Noteholder Consent.

SECTION 76. (a) Except for any amendment adopted pursuant to Section 75 hereof, subject to the terms and provisions contained in this Section and not otherwise, the City may, from time to time, with the written consent of the Bank, the Trustee, the Paying Agent and the consent of Noteholders of not less than 60% in aggregate principal amount of the Notes then Outstanding (excluding therefrom any Notes then owned by the City), adopt any supplemental Ordinance deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Ordinance; provided, however, that, unless approved in writing by the Bank and the Noteholders of all the Notes then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Note, a change in the terms of the purchase thereof by the Paying Agent or the Trustee, or a reduction in the principal amount or redemption price of any Outstanding Note or the rate of interest thereon, or (ii) a preference or priority of any Note or Notes over any other Note or Notes, or (iii) a reduction in the aggregate principal amount of Notes the consent of the Noteholders of which is required for any such amendment.

(b) If at any time the City shall propose to adopt any Supplemental Ordinance for any of the purposes of this Section, the Trustee shall cause the notice of the proposed Supplemental Ordinance to be given by Mail to all Noteholders owning Outstanding Notes. Such notice shall briefly set forth the nature of the proposed Supplemental Ordinance and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Noteholders.

(c) Within two years after the date of the first mailing of such notice, the City, the Trustee and the Paying Agent may approve such Supplemental Ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Noteholders and the Bank, and (ii) an opinion of Bond Counsel stating that such Supplemental Ordinance is authorized or permitted by this Ordinance, complies with its terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

(d) If Noteholders of not less than the percentage of Notes required by this Section shall have consented to and approved the execution and delivery thereof as herein provided, no Noteholder shall have any right to object to the execution and delivery of such Supplemental Ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner question the propriety of the execution and delivery thereof, or to enjoin or restrain the City or the Trustee or the Paying Agent from adopting, executing and delivering the same or from taking any action pursuant to the provisions thereof.

Effect of Supplemental Ordinance.

SECTION 77. Upon the execution and delivery of any Supplemental Ordinance pursuant to the provisions of this Ordinance, this Ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City, the Trustee, the Paying Agent, the Bank and all Noteholders owning Notes then Outstanding shall thereafter be determined, exercised and enforced under this Ordinance subject in all respects to such modifications and amendments.

Consent of Bank Required.

SECTION 78. Anything herein to the contrary notwithstanding, any Supplemental Ordinance under this Ordinance which affects any rights, powers, remedies, agreements or obligations of the Bank under this Ordinance, or requires a revision of the Letter of Credit shall not become effective unless and until the Bank shall have consented to such Supplemental Ordinance. Written notice of any Supplemental Ordinance shall be furnished to the Bank, Moody's and S & P, by the Trustee.

Parties in Interest.

SECTION 79. Except as herein otherwise specifically provided, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders any right, remedy or claim under or by reason of this Ordinance, this Ordinance being intended to be for the sole and exclusive benefit of the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders.

The provisions of this Ordinance shall constitute a contract between the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the holders of the Outstanding Notes, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Notes.

Severability.

SECTION 80. In case any one or more of the provisions of this Ordinance or of the Notes issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance or such Notes, and this

Ordinance and such Notes shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein or therein.

No Personal Liability of Officials of City.

SECTION 81. No covenant or agreement contained in the Notes or in this Ordinance shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the members of the City Council nor any official executing the Notes shall be liable personally on the Notes, the Letter of Credit Note or under the Reimbursement Agreement or be subject to any personal liability or accountability by reason of the issuance of the Notes, the Letter of Credit Note or the execution and delivery of the Reimbursement Agreement.

Counterparts.

SECTION 82. This Ordinance may be executed in any number of counterparts, each of which, when so executed and delivered, shall be a original; but such counterparts shall together constitute but one and the same Ordinance.

Governing Law.

SECTION 83. The laws of the State of Illinois shall govern the construction and enforcement of this Ordinance and of all Notes issued hereunder; provided, however, that the administration of the trusts imposed upon the Trustee and the Paying Agent by this Ordinance shall be governed by, and construed in accordance with, the laws of the respective jurisdictions in which the Trustee and the Paying Agent have their Principal Offices.

Notices.

SECTION 84. Except as otherwise provided in this Ordinance, all notices, certificates, requests, requisitions or other communications by the City, the Trustee, the Paying Agent, the Registrar, the Remarketing Agent or the Bank pursuant to this Ordinance shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows: if to the City, at the Comptroller's Office, City Hall, Room 501, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: City Comptroller; if to the Trustee, at 30 North LaSalle Street, Chicago, Illinois 60697, Attention: Corporate Trust Department; if to the Paying Agent, other than with respect to tenders, at One Wall Street, New York, New York 10015, Attention: Corporate Trust Operations and, with respect to tenders, at the address set forth in Exhibit A hereto; if to the Registrar or the Remarketing Agent, at the address designated to the City; and if to the Bank, to the address designated in the Letter of Credit. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder, including without limitation, telephonic, telex or other similar forms of notice.

The City shall promptly give notice of (i) the designation of any new Trustee or Paying Agent, (ii) the termination of the Letter of Credit, (iii) any intention to obtain an Alternate

Letter of Credit as provided in clause (c) of Section 16 hereof and (iv) any proposed amendment to this Ordinance, (v) any amendment to the Letter of Credit, the Reimbursement Agreement (or the Custody Agreement executed in connection therewith), or the Remarketing Agreement which, in the opinion of the City, the Trustee or the Paying Agent, is deemed to be a material change, (vi) any replacement of the Remarketing Agent or (vii) any change in the interest rate determination method hereunder, directly to: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Municipal Department-Structured Finance Group and to Standard and Poor's Corporation, 25 Broadway, New York 10004, or to such other address as shall be provided to the City for such notice.

Business Days and Times.

SECTION 85. (a) If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

(b) All times for the making of any payment or the performance of any Act, as provided in this Ordinance, shall mean the local time prevailing in the City of New York, New York.

Sale and Delivery of the Notes.

SECTION 86. Each series of Notes shall be sold and delivered to the underwriters and subject to the terms and conditions of a contract of purchase related thereto. Each Series of Notes may be sold separately or in combination with any other Series of Notes from time to time in accordance with the following paragraph. In connection with the offering and delivery of the Notes at separate times, the Comptroller shall be authorized to enter into any additional agreements comparable to any agreement authorized hereunder and to deliver any certificates required of the City in connection with such separate sale.

The sale and delivery of any Series, or combination of Series, of Notes shall be authorized by the Comptroller with the approval of the Chairman of the Committee on Finance of the City Council.

The Registrar shall be authorized to authenticate and deliver each Series of Notes at the initial delivery of such Series upon receipt of the related Letter of Credit and telephonic authorization, to be confirmed in writing, from the Comptroller evidencing that all conditions precedent to the issuance of such Notes as provided in this Ordinance, the related Reimbursement Agreement, the related contract of purchase and the related Remarketing Agreement have been satisfied.

The provisions of this Section 86 shall apply generally to the sale of any additional Series 1986B Notes pursuant to Section 89 hereof.

Repealer.

SECTION 87. 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.

Publication.

SECTION 88. This Ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least 100 copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance, and this Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided by law.

Sale and Delivery of Additional Series 1986B Notes.

SECTION 89. Notwithstanding any provision of this Ordinance to the contrary, the Comptroller is hereby authorized to sell, with the approval of the Chairman of the Committee on Finance of the City Council, and deliver Series 1986B Notes in addition to the \$80,500,000 authorized in clause (ii) of paragraph (b) of Section 3 of this Ordinance. Such additional Series 1986B Notes may be sold in a principal amount not to exceed 90% of any property taxes levied by the City for the year 1986 for the Corporate Fund in excess of \$37,115,603. The proceeds of any such additional Series 1986B Notes shall be deposited in the Corporate Fund.

The additional Series 1986B Notes authorized by this Section 89 shall be subject to all of the conditions precedent to the issuance of Series 1986B Notes as provided in this Ordinance, the related Reimbursement Agreement, the related contract of purchase and the related Remarketing Agreement. All references to "Series 1986B Notes" or "Notes" in this Ordinance shall include any such additional Series 1986B Notes, unless the context shall clearly indicate otherwise. Any such additional Series 1986B Notes may be sold separately from the \$80,500,000 Series 1986B Notes described in clause (ii) of paragraph (b) of Section 3 hereof.

The Registrar shall designate any such additional Series 1986B Notes on the face thereof as "Series 1986B-2" upon their authentication and delivery.

Exhibit A.

(Form of Note)

A. Forms Generally. The Notes, the Certificate of Authentication and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the

Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidence by their execution thereof. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be printed, lithographed or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing such Notes as evidence by their execution thereof, but any temporary Note may be typewritten or photocopied or otherwise reproduced.

B. *Form of Registered Note.*
(Front Side)

REGISTERED
NO.

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION

TENDER NOTE,

SERIES 1986__

Maturity

Date: _____

Redemption Date: _____

Registered Owner:

Principal Amount:

The City of Chicago, Illinois (the "City") hereby acknowledges itself to owe and, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns (hereinafter the "Noteholder"), on the Maturity Date (identified above), unless this Note shall have been previously called for redemption and payment of the redemption price made or provided for, or if purchased on demand of the Noteholder, upon the presentation and surrender hereof as hereinafter set forth, the Principal Amount (stated above) and interest on said Principal Amount from and including the Dated Date (identified above) until payment of said Principal Amount has been made or duly provided for at the rates and on the dates set forth herein. This Note, or a portion hereof, shall be purchased on the demand of the Noteholder as hereinafter described. The principal of this Note is payable at the principal corporate trust office of Irving Trust Company, in New

York, New York, or its successors or assigns, as Paying Agent (the "Paying Agent"). The interest so payable on any Interest Payment Date (as hereinafter defined) will, subject to certain exceptions provided in the Ordinance, be paid to the person in whose name this Note is registered at the close of business on the Record Date (as hereinafter defined) preceding such Interest Payment Date. Interest on this Note is payable by the Paying Agent in the manner provided in the Ordinance.

If an Event of Default (as defined in the Ordinance) has occurred and is continuing and the principal of all the Notes shall have been declared due and payable by Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, or its successors or assigns, as trustee (the "Trustee") and notice thereof mailed to the Noteholders then the principal hereof shall be payable at the principal corporate trust office of the Trustee and the payment of interest hereon shall be made by such Trustee as provided in the Ordinance.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Ordinance and the issuance of this Note, do exist, have happened and have been performed in regular and due form as required by law.

No covenant or agreement contained in this Note or the Ordinance shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the officials of the City, nor any official executing this Note, shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance or sale of this Note.

This Note shall not be entitled to any right or benefit under the Ordinance, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by the execution by the Registrar, or its successor as Registrar, of the certificate of authentication inscribed hereon.

In Witness Whereof, the City of Chicago has caused the seal of that City to be imprinted by facsimile hereon and this Note to be signed by the facsimile signatures of its Mayor and City Comptroller and attested by the facsimile signature of the City Clerk.

[Signature forms omitted for printing purposes.]

(Form of Note - Reverse Side)

1. Authorization. This Note is one of the duly authorized General Obligation Tender Notes, Series 1986, of the City, consisting of Series 1986A, 1986B and 1986C and aggregating Two Hundred Ten Million Five Hundred Thousand Dollars (\$210,500,000) in principal amount (the "Notes"), issued under and pursuant to the Constitution and the City's powers as a home rule unit under Article VII of the Illinois Constitution of 1970, and an ordinance of the City adopted January ____, 1986 (the "Ordinance"), for the purpose of

providing funds to (i) finance current cash flow requirements of the City, (ii) anticipate the receipt of taxes levied for specific purposes by the City for the year 1986 and (iii) finance the acquisition of certain equipment for the City.

2. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Ordinance.

3. Source of Payments. The City has caused to be delivered to the Paying Agent an irrevocable letter of credit (the "Letter of Credit") of The Mitsubishi Bank, Limited New York Branch (the "Bank"), in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns, which Letter of Credit will expire at the close of Bank's business on November 30, 1990. The Paying Agent shall be entitled under the Letter of Credit to draw up to (a) an amount sufficient (i) to pay the principal of the Notes, or (ii) to enable the Paying Agent to pay the purchase price or the portion of the purchase price equal to the principal amount of the Notes delivered to it for purchase or purchased in lieu of redemption and not remarketed, plus (b) an amount equal to sixty-five (65) days' accrued interest on the outstanding Notes (i) to pay interest on the Notes or (ii) to enable the Paying Agent to pay the portion of purchase price of the Notes delivered to it equal to the accrued interest, if any, on such Notes. At any time prior to the close of the Bank's business on November 30, 1990, the City may, upon the conditions specified in the Ordinance, provide for the delivery to the Paying Agent of an irrevocable letter of credit other than the Letter of Credit.

This Note, and the issue of which it is a part, shall be direct and general obligations of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources and each such Note shall be payable from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

4. Interest Rate. Interest on this Note will be paid at a Daily Rate, a Weekly Rate, a Commercial Paper Rate or the Fixed Rate as selected by the City and in certain cases the Remarketing Agent (as hereinafter defined) and as determined in accordance with the Ordinance. While there exists an Event of Default under the Ordinance, the interest rate on the Notes will be the rate six percent (6%) per annum. The City, acting through its Comptroller, or in certain cases, the Remarketing Agent may change the interest rate determination method from time to time. A change in the method will result in redemption of the Notes (see "Redemptions" below).

When interest is payable at a Daily, Weekly or Commercial Paper Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 in leap years), and when payable at a Fixed Rate on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue premium and interest will be payable at the rate of six percent (6%) per annum.

5. Interest Payment and Record Dates. Interest will accrue on the unpaid portion of the principal of this Note from the last date to which interest was paid, or if no interest has been paid, from the date of the original issuance of the Notes until the entire principal amount of this Note is paid. When interest is payable at the rate in the first column below, interest accrued during the period (an "Interest Period") shown in the second column will

be paid on the date (an "Interest Payment Date") in the third column to holders of record on the date (a "Record Date") in the fourth column:

Rate	Interest Period	Interest Payment Date	Record Date
Daily	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Weekly	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Commercial Paper	From 1 to 180 Days as determined for each Note pursuant to the Ordinance ("Commercial Paper Rate Period")	Last Day of applicable Commercial Paper Rate Period	Last Business Day before Interest Payment Date
Fixed	From any Interest Payment Date in such Fixed Rate Period or the first day of such Period through the next succeeding (i) June 30 or December 31 prior to maturity, (ii) December 30, at the time of maturity of Series 1986A Notes or (iii) October 30, at the time of maturity of the Series 1986B Notes or the Series 1986C Notes	Next day	(i) Prior to the maturity of any Series of Notes, the fifteenth day of the month before the payment date (June or December) and (ii) in connection with the maturity date of any Series of Notes, the fifteenth day of the month in which the maturity date occurs

"Business Day" is defined in the Ordinance. Payment of defaulted interest will be made to holders of record on the fifth-to-last Business Day before payment.

6. Method of Payment. Holders must surrender Notes to the Paying Agent or the Remarketing Agent, as the case may be, to collect principal or the purchase price (see "Tenders" below). Interest will be paid on the Interest Payment Date to the registered holder hereof as of the Record Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to such holder's registered address. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the

Noteholder maintained at the Paying Agent. Principal and interest will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfers payable in such money. If any payment on the Notes is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

7. Tenders. "Tender" means to require, or the act of requiring, the Paying Agent to purchase a Note at its holder's option under the provisions of this Section 7 at 100% of the principal amount plus interest accrued to the date of purchase.

Daily Rate Tender. When interest on the Notes is payable at a Daily Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (see addresses below) by 10:30 A.M., New York City time, on a Business Day, stating the principal amount and Series of the Note and the date (which may be the date the notice is delivered) the Note is to be purchased, and

(b) the Note to the Remarketing Agent (address below) by 12:00 noon, New York City time, on the date of purchase (see additional requirements below).

Weekly Rate Tender. When interest on the Notes is payable at a Weekly Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (addresses below) on a Business Day stating the principal amount and Series of the Note and the date, which must be a Business Day at least seven days after the notice is delivered, on which the Note is to be purchased, and

(b) the Note to the Paying Agent by 10:00 A.M., New York City time, on the date of purchase (see additional requirements below).

Payment of Purchase Price. The purchase price for a Note tendered to the Paying Agent will be paid in immediately available funds by the close of business on the date of purchase.

Delivery Addresses; Additional Delivery Requirements. Notices in respect of tenders and Notes tendered must be delivered as follows:

Notices to
Remarketing Agent

Salomon Brothers, Incorporated
One New York Plaza
New York, New York 10004-2079
Attn: Municipal Trading
Department
Telephone: 212-747-7250
Telex: 222428 SALBRO UR

Notes and Notices
to Paying Agent

Irving Trust Company
101 Barclay Street

New York, New York 10015
Attn: Corporate Trust
Operations

Notes to
Remarketing Agent

Salomon Brothers, Incorporated
55 Water Street, 29th Floor
New York, New York 10041-0101
Attn: Municipal Cashiering

These addresses may be changed by notice mailed by first class mail to the Noteholders at their registered addresses. All tendered Notes must be accompanied by an instrument of transfer satisfactory to the Paying Agent or Remarketing Agent, executed in blank by the registered owner with the signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange.

No Tenders During Default. No Notes may be tendered during the existence of an Event of Default if the Trustee has notified the Paying Agent that it has given notice by Mail to the Noteholders of a declaration that all the Notes are due and payable.

8. Redemptions. As provided below, the City has the right to purchase Notes in lieu of certain redemptions. By Acceptance Of This Note, The Owner Agrees To Sell And Surrender This Note, Properly Endorsed, To The City In Lieu Of Redemption Under The Conditions Described Below. All redemptions and purchases in lieu of redemption will be made in funds immediately available on the redemption or purchase date and will be at a redemption or purchase price of 100% of the principal amount of the Notes being redeemed or purchased plus interest accrued to the redemption or purchase date, except that interest accruing at a Daily or Weekly Rate will be paid on the Interest Payment Date following the redemption or purchase date. Notes tendered for purchase on a date after a call for redemption but before the redemption date will be purchased pursuant to the tender. No purchase of Notes by the City or advance use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Notes or of any portion thereof and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Notes.

Optional Redemption During Daily, Weekly or Commercial Paper Rate Period. When interest on the Notes is payable at a Daily or Weekly Rate, the Notes may be redeemed in whole at the option of the City on the first day of each month. The Notes are not subject to optional redemption during any Commercial Paper Rate Period but are subject to mandatory redemption during any such Period as provided in the second succeeding paragraph.

Mandatory Redemption at Beginning of Fixed Rate Period. When the Notes are to bear interest at a Fixed Rate, the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of the Fixed Rate. Noteholders may waive this redemption as provided below.

Mandatory Redemption on Each Interest Payment Date During Commercial Paper Rate Period. When Notes bear interest at a Commercial Paper Rate, each Note will be redeemed or purchased by the City in lieu of redemption on the Interest Payment Date of such Note. If Notes are scheduled to be redeemed under the following paragraph, the Notes will be called under, and redemption will be governed by, that paragraph and not this paragraph. Noteholders may waive this provision as provided below.

Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes. On the effective date of the change in the method of determining the interest rate on the Notes (the four methods being Daily, Weekly, Commercial Paper or Fixed Rates) the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of such change. Owners of Notes may waive this redemption as provided below.

Waiver of Redemption. To waive redemption pursuant to one of the foregoing three paragraphs, Noteholders must deliver the Notes with respect to which such waiver is made to the Paying Agent at its address under "Tenders" above by the sixth-to-last Business Day before the redemption date (or on the first Business Day of any Commercial Paper Period which is shorter than six Business Days) accompanied by an instrument executed by the owner (1) directing the City and the Paying Agent not to redeem such Notes (or the portion thereof specified therein), (2) agreeing not to sell such Notes or portion thereof prior to the redemption date, (3) agreeing not to exercise any tender applicable to such Notes prior to the redemption date, (4) acknowledging that such waiver is irrevocable and (5) when applicable, acknowledging that a current right to tender the Notes will not be available after the redemption date.

If the Notes are being redeemed due to a change in the method of determining interest to a Commercial Paper Rate,

(1) the waiver must also direct the City and the Paying Agent not to redeem such Notes for any subsequent Commercial Paper Rate Period established between the date of such waiver and the effective date of the change, and

(2) if the Remarketing Agent notifies the Paying Agent that the Notes are to be sold on the condition that the Noteholder designates an agent to hold such Notes on the owner's behalf for as long as the Notes bear interest at a Commercial Paper Rate, then the waiver must contain a direction by the Noteholder to deliver such Notes to such agent on the effective date of the change.

Any waiver of redemption shall be irrevocable and any right to tender such Note shall not be exercisable by the owner once the waiver has been given. A waiver shall bind any subsequent owner of such Note or any Note delivered in substitution therefor. Also the failure by the owner timely to waive any redemption shall be binding on any subsequent owner of such Note or any Note delivered in substitution therefor.

Notwithstanding the foregoing, no waiver may be made with respect to any Note if the City has directed (or the Ordinance requires) that such Note be redeemed and cancelled.

Any Note received by the Paying Agent pursuant to a waiver shall be held in safekeeping for its owner and shall be returned to such owner (or his agent) on the redemption date.

Scheduled Mandatory Redemption of Series 1986C Notes. Series 1986C Notes in the amount of \$7,500,000 are subject to mandatory redemption on October 31, 1989 as provided in the Ordinance, the particular Notes and \$100,000 or \$5,000, as the case may be, units of Notes to be selected by the Registrar.

Optional Redemption During Fixed Rate Period. When the interest on the Notes is payable at a Fixed Rate, the Notes may be redeemed at the option of the City on any Interest Payment Date in whole at the principal amount thereof plus accrued interest to such date of redemption.

Mandatory Redemption for Failure to Reinstate the Letter of Credit or for an Event of Default under the Reimbursement Agreement. All Notes shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement.

Notice of Redemption. At least 30 days before each redemption except "Mandatory Redemption on Each Interest Payment Date During Commercial Rate Period" or "Mandatory Redemption for Failure to Reinstate the Letter of Credit or for an Event of Default under the Reimbursement Agreement" described in Section 8 hereof, the Trustee will mail a notice of redemption by Mail to each Noteholder at the holder's registered address. Failure to give any required notice of redemption as to any particular Notes will not affect the validity of the call for redemption of any Notes in respect of which no failure occurs. Any notice mailed as provided in this paragraph will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Notice of Redemption. When notice of redemption is required and given, and when Notes are to be redeemed without notice, Notes called for redemption become due and payable on the redemption date at the applicable redemption price, subject to the City's right to purchase Notes as provided above; in such case when funds are deposited with the Paying Agent sufficient for redemption or for purchase, interest on the Notes to be redeemed or purchased ceases to accrue as of the date of redemption or purchase.

9. Denominations; Transfer; Exchange. The Notes are in registered form without coupons in denominations of \$100,000 or any integral multiple of \$100,000, except that when interest is payable at a Fixed Rate Notes may be in denominations of \$5,000 or integral multiples of \$5,000. A holder may transfer or exchange Notes in accordance with the Ordinance. The Paying Agent may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Ordinance. During any Fixed Rate Period, the Paying Agent need not transfer or exchange any Note for the period beginning 15 days before mailing a

notice of redemption of such Note and ending on the redemption date. However, after Notes have been called pursuant to the paragraph captioned "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes", such called Notes or portions of Notes may be exchanged for Notes in denominations of \$100,000 or multiples thereof at any time up to the redemption date.

10. **Persons Deemed Owners.** The registered holder of this Note may be treated as the owner of it for all purposes.

11. **Unclaimed Money.** If money for the payment of principal, interest or purchase price remains unclaimed for two years, the Paying Agent will pay the money to or for the account of the City. After that, the holders entitled to the money must look only to the City and not to the Paying Agent or the Issuer of the Letter of Credit for payment unless an abandoned property law designates another person.

12. **Amendment and Supplement, Waiver.** Subject to certain exceptions, the Ordinance may be amended or supplemented, with the consent of the holders of 60% in aggregate principal amount of the Notes. Without the consent of any Noteholder, the City may amend or supplement the Ordinance as described in the Ordinance, to cure any ambiguity, omission, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, or to make any change that does not materially adversely affect the rights of any Noteholder.

13. **Defaults and Remedies.** The Ordinance provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee, may, and at the written request of the holders of at least 25% in principal amount of the Notes, shall declare the principal of all the Notes to be due and payable immediately. An Event of Default and its consequences may be waived as provided in the Ordinance. Noteholders may not enforce the Ordinance or the Notes except as provided in the Ordinance. The Trustee may refuse to enforce the Ordinance or the Notes unless it receives indemnity satisfactory to it. Subject to certain limitations, holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power.

14. **No Recourse Against Others.** A member, director, officer or employee, as such, of the City shall not have any liability for any obligations of the City under the Notes or the Ordinance or for any claim based on such obligations or their creation. Each Noteholder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Note.

15. **Authentication.** This Note shall not be valid until the Registrar signs the certificate of authentication on the other side of this Note.

16. **Abbreviations.** Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee)

this Note and irrevocably appoint _____
agent to transfer this Note on the
books of the City. The agent may substitute another to act for him.

Dated: _____

Signed _____
(Sign exactly as name appears on the other side of this Note)

Signature guaranteed: _____

[FORM OF SCHEDULE TO BE ATTACHED TO NOTES WHEN
NOTES BEAR INTEREST AT COMMERCIAL PAPER RATE]

COMMERCIAL PAPER RATES AND PERIODS

Beginning of Commercial Rate Period	End of Commercial Paper Rate Period (Mandatory Redemption Date)	Current Commercial Paper Rate	Signature of Paying Agent
_____:	_____:	_____:	_____
_____:	_____:	_____:	_____
_____:	_____:	_____:	_____

The motion to substitute *Prevailed*.

Alderman Burke then moved to *Pass* the foregoing proposed substitute ordinance.
The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Beavers, Humes, Hutchinson, Huels, Majerczyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Nardulli, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr - 38.

Nays -- None.

Alderman Krystyniak 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 body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, The City has determined that it is desirable and in the public interest of the City to issue notes of the City for the following purposes: (i) to finance current cash requirements of the City; (ii) to anticipate the taxes levied for specific purposes by the City for the year 1986; and (iii) to finance the acquisition of necessary equipment for the City; and

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

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

Finding.

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

Definitions.

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

"Alternate Letter of Credit" shall mean an irrevocable letter, or letters, of credit delivered in accordance with Section 16(c) hereof. Any Alternate Letter of Credit shall be an irrevocable letter of credit, other than the Letter of Credit issued by the Bank and delivered to the Paying Agent concurrently with the original issuance of the Notes, issued

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

"Bank" shall mean The Mitsubishi Bank, Limited New York Branch, in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns and, if a Letter of Credit is issued by a different Bank to secure any additional Series 1986B Notes issued pursuant to Section 89 hereof or if an Alternate Letter of Credit has been issued in accordance with Section 16(c) hereof, "Bank" shall mean the issuer, or issuers, of such Letter or Alternate Letter or Letters, of Credit in its capacity issuing such Letter of Credit or Alternate Letter of Credit, its, or their, successors in such capacity and their assigns. "Principal Office" of the Bank shall mean the principal office of the Bank, which office at the date of the issuance of the initial Letter of Credit is located at One World Trade Center, New York, New York 10048.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Interest Payment Date" is defined in the Notes.

"Interest Period" is defined in the Notes.

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

"Letter of Credit" shall mean the irrevocable letter, or letters, of credit issued by the Bank contemporaneously with the original issuance of the Notes, or any Series of Notes, except that upon the issuance and delivery of an Alternate Letter of Credit in accordance with Section 16(c) hereof, "Letter of Credit" shall mean such Alternate Letter of Credit. Each Series of Notes may be secured by a different Letter of Credit issued by the Bank or by a Letter of Credit issued by a different Bank, all as designated by the City pursuant to the terms of this Ordinance. In the case of the Series 1986B Notes, the additional Series 1986B Notes authorized by Section 89 hereof may be secured by a different Letter of Credit issued by the Bank, or by a Letter of Credit issued by a different Bank, than the Letter of Credit securing the \$80,500,000 Series 1986B Notes referred to in clause (ii) of paragraph (b) of Section 3 hereof. Any reference to Letter of Credit herein shall be deemed to refer to the Letter of Credit related to such Series of Notes, unless the context shall clearly indicate otherwise. The Paying Agent may conclusively rely upon a certificate of the Comptroller that the Letter of Credit is in conformity with the requirements of this Ordinance.

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

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

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

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

"Note Fund" shall mean the fund created by Section 13 hereof.

"Noteholder" shall mean the person in whose name any Note is registered. The Trustee, the Paying Agent, the Remarketing Agent and the Bank may be Noteholders.

"Notice by Mail" or "notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Ordinance mailed by first class mail to the Noteholders, at the addresses shown in the registration books maintained pursuant to Section 8 hereof.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Ordinance" shall mean this Note Ordinance of the City.

"Outstanding", when used in reference to the notes, shall mean, as at any particular date, the aggregate of all Notes authenticated and delivered under this Ordinance except:

(a) those cancelled at or prior to such date or delivered to or acquired by the Trustee or the Registrar at or prior to such date for cancellation;

(b) those matured or redeemed Notes which have not been presented for payment in accordance with the provisions of this Ordinance; and

(c) those in lieu of or in exchange or substitution for which other Notes shall have been authenticated and delivered pursuant to this Ordinance.

"Paying Agent" shall mean Irving Trust Company, as paying agent under this Ordinance, or any other or successor paying agent appointed in accordance with Section 62 hereof. If the Trustee is the Paying Agent, "Principal Office" of the Paying Agent shall mean the principal corporate trust office of the Trustee. If the Trustee is not the Paying Agent, then "Principal Office" shall mean the address given by the Paying Agent in writing to the City, the Trustee, the Bank and the Remarketing Agent.

"Rating Agency" means Moody's or S & P.

"Record Date" is defined in the Notes.

"Registrar" shall mean the Paying Agent acting in the capacity of registrar under this Ordinance, its successors and their assigns.

"Reimbursement Agreement" shall mean the agreement or agreements between the City and the Bank, pursuant to which the related Letter of Credit is issued by the Bank and delivered to the Paying Agent, and initially shall mean the reimbursement agreement entered into pursuant to Section 71 of this Ordinance and any and all modifications, alterations, amendments and supplements thereto. Any reference to Reimbursement

Agreement herein shall be deemed to refer to the Reimbursement Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Remarketing Agent" shall mean the Remarketing Agent designated by the City with respect to the Notes, and initially shall mean the remarketing agent appointed in accordance with Section 70 hereof.

"Remarketing Agreement" means the agreement between the City and the Remarketing Agent entered into pursuant to Section 70 of this Ordinance, and any and all modifications, alterations, amendments and supplements thereto. Any reference to Remarketing Agreement herein shall be deemed to refer to the Remarketing Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Series 1986B Notes" shall have the meaning assigned to such term in clause (ii) of paragraph (b) of Section 3 hereof.

"Series 1986B-2 Notes" means the additional Series 1986B Notes authorized by Section 89 hereof.

"Short Term Rate" means a Daily, Weekly or Commercial Paper Rate.

"State" means the State of Illinois.

"Service Fund" means the fund created pursuant to Section 19 hereof, and held and administered by the Paying Agent.

"S & P" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S & P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City in its place by notice to the Trustee, Paying Agent and Remarketing Agent.

"Supplemental Ordinance" shall mean any ordinance of the City modifying, altering, amending, supplementing or confirming this Ordinance for any purpose, in accordance with the terms hereof.

"Treasurer" shall mean the duly elected Treasurer of the City.

"Trustee" shall mean Continental Illinois National Bank and Trust Company of Chicago, as trustee under this Ordinance, its successors in trust and their assigns. "Principal Office" of the Trustee shall mean the principal corporate trust office of the Trustee, which office at the date of this Ordinance is located at 30 North LaSalle Street, Chicago, Illinois 60697.

"Weekly Rate" means an interest rate on the Notes set under Section 3(c)(2).

This Ordinance, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) Any percentage of Notes, for the purposes of this Ordinance, shall be computed on the basis of the Notes Outstanding at the time the computation is made or is required to be made hereunder.
- (d) Headings of sections herein are solely for the convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Creation of Notes.

SECTION 3. (a) For the purpose of providing moneys for the purposes provided in the preambles hereof, it is hereby declared necessary that the City authorize and issue, and the City hereby authorizes and directs the issuance of, an issue of Notes, entitled to the benefit, protection and security of this Ordinance, in the aggregate principal amount at any one time outstanding of \$210,500,000, subject to the right of the City to issue additional Series 1986B Notes as provided in Section 89 hereof, payable as to principal and interest from the sources indicated hereinafter. The Notes shall be designated by the title "City of Chicago General Obligation Tender Notes, Series 1986" (the "Notes"). The Notes shall be dated as provided in clause (k) of this Section 3.

(b) The Notes shall be issued as three series (each a "Series") as below designated, and in the amounts, maturing, subject to prior redemption upon the terms and conditions as hereinafter set forth, and be for the purposes as follows:

(i) Series 1986A (the "Series 1986A Notes"), in the principal amount at any one time outstanding of \$100,000,000, maturing on December 31, 1986, for the purpose of financing the current cash flow requirements of the City;

(ii) Series 1986B (the "Series 1986B Notes"), in the principal amount of \$80,500,000, subject to the right of the City to issue additional Series 1986B Notes as provided in Section 89 hereof, maturing on October 31, 1987, for the purpose of anticipating taxes levied for specific purposes for the year 1986; and

(iii) Series 1986C (the "Series 1986C Notes"), in the principal amount of \$30,000,000, maturing on October 31, 1990, for the purpose of acquiring certain capital equipment to be designated in an ordinance to be adopted by the City Council.

(c) Interest Rate Determination Methods.

(1) Daily Rate. When interest on any Series of the Notes is payable at a Daily Rate, the Comptroller will set a Daily Rate on each Business Day. Each Daily Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the day the rate is set at 100% of their principal amount plus accrued interest. The Daily Rate for any non-Business Day will be the rate for the last day on which a rate was set or, upon the commencement of a period during which the Notes

of such Series bear interest at a Daily Rate, the rate established on the first Business Day after the date of such commencement.

If for any reason the Comptroller does not set a Daily Rate on any Business Day or a court holds that the rate set for any day is invalid or unenforceable, the Daily Rate for that day will be the average of 30-day yield evaluations at par of securities, the interest on which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. Initially, that rate will be the earliest rate published each day by Munifacts Wire System, Inc. The City, acting through its Comptroller, may designate a replacement publisher to the Trustee and the Remarketing Agent. If Munifacts Wire System, Inc. or such replacement publisher does not publish such a commercial paper rate on a day on which a Daily Rate is to be set, the Remarketing Agent will set the Daily Rate at 50% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced on such day by the Federal Reserve Bank of New York, converted to a coupon-equivalent rate.

(2) Weekly Rate. The Comptroller will set a Weekly Rate on the last Business Day before the commencement of a period during which any Series of the Notes bear interest at a Weekly Rate and each Tuesday thereafter during which interest on the Notes of such Series is to be payable at a Weekly Rate or, if any Tuesday is not a Business Day, on the next succeeding Business Day. Each Weekly Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the date the rate is set at 100% of their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Weekly Rate or a court holds that any rate set is invalid or unenforceable, the Weekly Rate for that period will be the average of 30-day yield evaluations at par of securities (whether or not actually issued), the interest on which is exempt from Federal income taxation, of at least 20 component issuers selected by the Remarketing Agent, including issuers of commercial paper, project notes, bond anticipation notes and tax anticipation notes, computed by the Remarketing Agent as of the day on which the Comptroller was to have set the Weekly Rate. When the Notes are rated by a Rating Agency in either of its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by a Rating Agency in its highest note or commercial paper rating category or (b) not have outstanding notes or commercial paper rated by a Rating Agency but have outstanding securities rated by a Rating Agency in either of its two highest long-term debt rating categories. If the Notes are rated by both Rating Agencies in a rating category that is lower than its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by one Rating Agency in its note or commercial paper rating category correlative, in the Remarketing Agent's judgment, to the long-term debt rating category of the Notes or (b) have outstanding securities rated by one Rating Agency in the same long-term debt rating category as the Notes are rated by that Rating Agency and not have any outstanding notes or commercial paper rated by such Rating Agency. The Remarketing Agent may change the component issuers from time to time in its discretion, subject to the foregoing requirements. If the Notes are not rated by a Rating Agency or the Remarketing Agent does not compute the average mentioned above, the Remarketing Agent will set the Weekly Rate at 55% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Comptroller was to have set the Weekly Rate. Upon delivery to the Trustee of an

Opinion of Bond Counsel that such action will not adversely affect the exemption of interest on the Notes of such Series from Federal income taxation, the City, acting through its Comptroller, may designate a new method of setting the Weekly Rate in the event any of the above-described methods is unavailable or unrealistic in the market place.

(3) Commercial Paper Rate.

(i) Determination of Commercial Paper Rate. The Commercial Paper Rate for each Note of a Series bearing interest at a Commercial Paper Rate will be determined by the Comptroller on the first Business Day of each Commercial Paper Rate Period applicable to such Note. Each Commercial Paper Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell such Note on such date at its principal amount.

If for any reason the Comptroller does not set a Commercial Paper Rate for any Commercial Paper Rate Period or a court holds that the rate set for such Commercial Paper Rate Period is invalid or unenforceable, the Commercial Paper Rate for such Note for such period will be the earliest 30-day, 60-day or 90-day tax-exempt commercial paper rate published each day by Munifacts Wire System, Inc. (or its replacement as provided in Section 3(c)(1)), and representing, as of the date of determination, the average of 30-day (if such Commercial Paper Rate Period is from one to 30 days in length), 60-day (if such Commercial Paper Rate Period is from 31 to 60 days in length) or 90-day (if such Commercial Paper Rate Period is from 61 to 180 days in length), as the case may be, yield evaluations at par of securities, the interest on which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. If Munifacts Wire System, Inc. (or its replacement) does not publish a 30-day, 60-day or 90-day tax-exempt commercial paper rate, as the case may be, on the day on which a Commercial Paper Rate is to be set, the Commercial Paper Rate of such Note for such period shall be the applicable percentage of the interest rate (the "Commercial Paper Base Rate") for 30-day, 60-day, or 90-day, as the case may be, taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the first Business Day of such Commercial Paper Rate Period as determined on the basis of the table set forth below.

Term of Next Succeeding Commercial Paper Rate Period	Applicable Percentage of Commercial Paper Base Rate
1-30 days	50%
31-60 days	52%
61-180 days	54%

(ii) Determination of Commercial Paper Rate Periods by Comptroller. While the Notes of any Series bear interest at a Commercial Paper Rate, the length of each Commercial Paper Rate Period (which may be from one to 180 days) for each Note of such Series shall, if the Comptroller's direction pursuant to Section 3(d)(1) so requires, be determined by the Comptroller based upon the Comptroller's judgment that such length will be beneficial to the market for, or the relative yield of, such Note based upon the factors set forth in Section 3(d)(2).

(iii) Determination of Commercial Paper Rate Periods by Remarketing Agent. While the Notes of any Series bear interest at a Commercial Paper Rate as a result of the City's direction pursuant to Section 3(d)(1) the Commercial Paper Rate Period for each Note shall be determined by the Remarketing Agent pursuant to Section 3(d)(1) unless the Comptroller's direction requires the Comptroller to make such determinations, in which event the Comptroller shall make such determinations as described in the preceding paragraph.

(iv) Limitations. Notwithstanding the foregoing:

(1) no Commercial Paper Rate Period shall be established for any Series of Notes unless the Letter of Credit securing such Notes terminates no earlier than twenty (20) days after the last day of such Commercial Paper Rate Period;

(2) if the Remarketing Agent or the Comptroller have previously determined that the Notes of any Series are to bear interest at a rate other than the Commercial Paper Rate effective as of a future date, no new Commercial Paper Rate Period shall be established for such Series unless the last day of such Commercial Paper Rate Period occurs on or before the effective date of the change to such other rate; and

(3) if neither the Comptroller nor the Remarketing Agent sets the length of a Commercial Paper Rate Period for any Note of any Series when it is required to do so, a new Commercial Paper Rate Period lasting 30 days (or until the earlier stated maturity of the Notes of such Series) will follow.

(4) Fixed Rate. The Comptroller will set a Fixed Rate for any Series of Notes on a date (the "Determination Date") no fewer than 7 nor more than 15 Business Days before the beginning of the period (the "Fixed Rate Period") in which interest on the Notes of any Series will be payable at a Fixed Rate to the maturity of such Series of Notes. The Fixed Rate for any Series will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the Determination Date at their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Fixed Rate for a Fixed Rate Period or a court holds that the rate set for a Fixed Rate Period is invalid or unenforceable, the rate for the Fixed Rate Period will be determined by the Remarketing Agent and will be the yield shown for "Municipal Bonds (New Issue Scales: Prime-Grade GO)" having the same number of years to maturity as the number of 12-month periods in the Fixed Rate Period, as published in the last issue before the Determination Date of the Salomon Brothers Inc Bond Market Roundup. If that issue does not publish a yield for bonds having such number of years to maturity, the Fixed Rate will be determined by linear interpolation between the yields shown in that issue for bonds having the next shorter and next longer number of years to maturity. If the Fixed Rate Period is six months, the Fixed Rate shall be equal to the yield shown for "Short Term Rates (6 Month: Mig 1 Notes)", in that Bond Market Roundup; if the Fixed Rate Period is longer than six months but less than one year, the Fixed Rate will be determined by linear interpolation between that yield and the yield shown for the next longer maturity under "Municipal Bonds (New Issue Scales: Prime-Grade GO)". If the yields required to determine the Fixed Rate have not been published in the 30 days before the Determination Date, the Remarketing Agent will determine the

Fixed Rate as of a date within 30 days before the Determination Date by likewise using or interpolating from its index for prime municipal obligations of the same maturity as the length of the Fixed Rate Period.

(5) The Interest Rate Determination Method for each Series of the Notes upon the initial delivery thereof shall be determined by the Comptroller based upon the Comptroller's judgment that such Method will be beneficial to the market for, or the relative yield of, each Series of Notes based upon the factors set forth in Section 3(d)(2).

If any Series of the Notes is initially delivered bearing interest at a Commercial Paper Rate from and after the end of the initial Commercial Paper Rate Period such Series of Notes shall bear interest at a Daily Rate unless another Interest Rate Determination Method is designated pursuant to Sections 3(d)(1) or 3(d)(2) for such Series Notes.

(d) Change in Interest Rate Determination Method.

(1) Change Directed by the City. The City may, acting through the Comptroller, change the method of determining the interest rate on the Notes of any Series by notifying the Paying Agent, Bank and Remarketing Agent at least 20 days prior to the proposed effective date of such change. Such notice shall contain (a) the effective date, (b) the proposed interest rate determination method, (c) if the change is to a Short Term Rate, the first Monthly Rate Evaluation Date, if any, upon which the determinations required pursuant to paragraph (2) below are to be made and whether or not such determinations are to be made by the Remarketing Agent, (d) if the change is to a Commercial Paper Rate, whether the length of the Commercial Paper Rate Periods will be set by the Comptroller or the Remarketing Agent and (e) if the change is to a Fixed Rate, the Determination Date. The notice must be accompanied by an Opinion of Bond Counsel stating that the change is not prohibited by the laws of the State or this Ordinance and will not adversely affect the exemption of interest on the Notes from Federal income taxation. If the Comptroller's notice complies with this paragraph, the interest rate on the Notes of such Series will be payable at the new rate on the effective date specified in the notice until there is another change as provided in this Section.

The Comptroller, upon delivering the opinions of counsel referred to in the preceding paragraph, may (a) make the determinations on each Monthly Rate Evaluation Date pursuant to paragraph (2) below or to cease to make such determinations for a specific or indefinite period of time, (b) while the Notes of any Series bear interest at a Commercial Paper Rate, require the Remarketing Agent to set the length of each Commercial Paper Rate Period pursuant to Section 3(c)(3)(iii) or to cease to do so for a specific or indefinite period of time or (c) override a determination made by the Remarketing Agent pursuant to paragraph (2) below provided that notice of redemption pursuant to Section 3(e) has not yet been given.

(2) Change Directed by the Remarketing Agent. Unless directed not to do so pursuant to the paragraph (1) above, the Remarketing Agent shall consider on each Monthly Rate Evaluation Date whether the method of determining the interest rate on any Series of the Notes should be changed to a different method of Short Term Rate because in the Remarketing Agent's judgment, conversion to a different Short Term Rate will be beneficial to the market for, or the relative yield of, such Series of Notes. If a change is to

be made, the Remarketing Agent will promptly so notify the Paying Agent, the City and the Bank and will specify the effective date of the change. For purposes of this paragraph (2), the Remarketing Agent's determination that a different Short Term Rate will be "beneficial to the market for, or relative yield of, such Series of Notes" shall be based upon (a) the performance of such Series of Notes, measured by market supply and demand and yield, relative to other securities which bear interest at the current rate or the other Short Term Rates or which, in the judgment of the Remarketing Agent, are otherwise comparable to such Series of Notes, or (b) any fact or circumstance relating to such Series of Notes or affecting the market for such Series of Notes or affecting such other comparable securities in a manner which, in the judgment of the Remarketing Agent will affect the market for such Series of Notes, which in any event leads the Remarketing Agent to conclude that such Series of Notes should bear interest at the Short Term Rate specified in such notice. As used in this paragraph (2), "beneficial" means beneficial to the City. The Remarketing Agent may use or not use any inputs and resources it deems appropriate, which may but need not include conversations with the City, and will make its decision based solely upon its judgment. On the effective date specified in such notice, unless a different determination shall have been made by the Remarketing Agent on an intervening Monthly Rate Evaluation Date or by the City pursuant to the paragraph (1) above, the Notes of such Series shall bear interest at the Short Term Rate specified in such notice. The notice must be accompanied by an Opinion of Bond Counsel stating that the change will not adversely affect the exemption of interest on the Notes from Federal income taxation.

The Remarketing Agent will not have any obligation, responsibility or liability of any kind to the Noteholders, the City, the Bank or to any other person with respect to any determination that the Notes of any Series will or will not bear interest at the current or any other Short Term Rate or the Fixed Rate, including but not limited to any omission by the Remarketing Agent to consider any facts or circumstances or any resources or inputs, it being the intent of this Ordinance that the Remarketing Agent may, in its unrestricted judgment, choose to consider no inputs or resources other than its own expertise.

(3) Limitations. Any change in the method of determining interest on the Notes of any Series pursuant to either paragraph (1) or paragraph (2) above must comply with the following:

(i) if a Commercial Paper Rate is then in effect, the effective date of any change must be the day following the last day of the Commercial Paper Rate Period of all Notes of such Series;

(ii) the effective date of all changes must be the first day of a month; and

(iii) no change shall be made in the interest rate determination method at the direction of the City pursuant to Section 3(d)(1) or at the direction of the Remarketing Agent pursuant to 3(d)(2) hereof if the Paying Agent shall receive written notice prior to such change that the Opinion of Bond Counsel required under Section 3(d)(1) or Section 3(d)(2), as the case may be, has been withdrawn. If the Paying Agent shall have sent any notice to the Noteholders regarding a change in rate under Section 3(e) than in the event of such withdrawal of opinion, the Paying Agent shall promptly notify all Noteholders of such withdrawal.

(e) Notice to Noteholders of Change in Interest Rate Determination Method. When a change in the interest rate determination method is to be made as to any Series of Notes, the Paying Agent will notify the Noteholders of such Series by first class mail at least 15 but not more than 60 days before the effective date of the change. The notice will be accompanied by the Opinion of Bond Counsel required by Section 3(d)(1) or Section 3(d)(2), as the case may be. The notice will state:

(1) that the interest rate determination method will be changed and what the new method will be,

(2) the effective date of the new rate,

(3) a description of the new method and the maximum interest rate, that the Remarketing Agent will provide each new rate (and Commercial Paper Rate Period when applicable) upon request and describing how to make such request,

(4) the Interest Payment Dates and Record Dates in the new period,

(5) whether the Noteholders of such Series have a right to tender their Notes during the new period and, if they do, the procedures to follow, and

(6) that a mandatory redemption of the Notes of such Series will result on the effective date of the change as provided in the Notes, all the information required by this Ordinance to be included in a notice of redemption set forth in Section 11, that the owner may waive such redemption and the manner of waiving such redemption.

In addition, if the change is to a Fixed Rate, the notice will state

(1) the Determination Date,

(2) the name of the newspaper in which, and the date on which, the Fixed Rate will be published as provided below,

(3) the end of the Fixed Rate Period, which shall be the maturity date of the Notes of such Series,

(4) any ratings assigned the Notes of such Series by the Rating Agencies effective on the change,

(5) that during the Fixed Rate Period there will be no right to tender the Notes,

(6) the redemption provisions to which the Notes are subject during the Fixed Rate Period, and

(7) that during the Fixed Rate Period Notes may be issued in denominations of \$5,000 or integral multiples of \$5,000.

If the change is to a Fixed Rate, at least 5 Business Days before its effective date the Paying Agent will publish notice of the new rate in a financial newspaper customarily published each business day and generally circulated in the Borough of Manhattan in New York, New York.

In addition, if the change is to a Commercial Paper Rate, the notice will state

(1) during the Commercial Paper Rate Period there will be no right to tender the Notes of such Series,

(2) that on the last day of each Commercial Paper Rate Period the Notes of such Series will be redeemed unless the owner waives such redemption and setting forth the manner of waiving such redemption, and

(3) that no notice of any such redemption will be given to the Noteholder.

(f) Calculation of Interest. The Paying Agent will compute the amount of interest payable on the Notes from the rates supplied to the Paying Agent by the person setting them. The Remarketing Agent will notify the Paying Agent in writing or by telephone promptly confirmed by tested telex by 12:00 noon, New York City time,

(1) on the first Business Day after a month in which interest on the Notes is payable at a Daily Rate, of the Daily Rate for each day in such month,

(2) on the last Tuesday in each month (or if such Tuesday is not a Business Day, on the next Business Day) in which a Weekly Rate was set in such month, of the Weekly Rate for each day in such month,

(3) on the first Business Day of each Commercial Paper Rate Period, of the length thereof and the Commercial Paper Rate, and

(4) on the first Business Day after a Determination Date, of the Fixed Rate set on that Determination Date.

Using the rates supplied by this notice, the Paying Agent will calculate the interest payable on the Notes. The Remarketing Agent will inform the Paying Agent, Comptroller and Bank orally at the oral request of any of them of any interest rate set by the Comptroller or the Remarketing Agent. The Comptroller will inform the Remarketing Agent of any interest rate set by the Comptroller. The Paying Agent will confirm the effective interest rate by telephone or in writing to any Noteholder who requests it in any manner.

The setting of the rates and the calculation of interest payable on the Notes as provided in this Ordinance will be conclusive and binding on all parties.

(g) The Notes and the certificate of authentication to be executed on the Notes by the Registrar are to be in substantially the form thereof set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Ordinance and provided, further, that in the issuance of any new Note resulting from a

tender of a Note, or a portion thereof, which tendered Note has been previously called for redemption, in the preparation of such new Note the Registrar shall insert the redemption date rather than the stated maturity date for such Note.

(h) The Notes shall be subject to redemption at par and accrued interest, if any, prior to the maturity thereof, as follow:

(i) Each Series of Notes bearing interest at a Daily Rate or a Weekly Rate shall be subject to optional redemption by the City on the first day of each month, as a whole and pursuant to the procedures in Section 11 hereof.

(ii) Each Series of the Notes bearing interest at a Fixed Rate shall be subject to optional redemption by the City on any Interest Payment Date, as a whole and pursuant to the procedures in Section 11 hereof.

(iii) All Notes (or if different Letters of Credit are issued in respect of separate Series of Notes, then all Notes of such Series) shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement. If either of such events occur the Notes shall be called for mandatory redemption in accordance with the provisions of clause (b) of Section 11 hereof.

(iv) The Notes are subject to redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes".

(v) The Series 1986C Notes shall be subject to mandatory redemption by the City, in part by lot, pursuant to the procedures in Section 11 hereof, on October 31, 1989, and in the amount of \$7,500,000.

In the event of the purchase by the City of less than all of the Series 1986C Notes for cancellation as provided in clause (j) of this Section 3, the principal amount of such Series 1986C Notes to be paid at maturity in 1990 or required to be mandatorily redeemed shall be reduced in the inverse order of such payment at maturity or mandatory redemption, as the case may be.

(i) Any Noteholder of a Note bearing interest at a Daily Rate or at a Weekly Rate has the right, subject to the provisions of the second succeeding paragraph, to tender a Note, or a portion thereof, provided that such portion is \$100,000 or any multiple thereof, for payment and to receive payment therefor, all as provided in the form of the Notes.

The Paying Agent shall deposit in the Custody Account any Notes tendered and not remarketed by the Remarketing Agent and the Registrar shall register any such Notes in

the name of the Bank in the books of the Registrar kept pursuant to Section 8 hereof. Such Notes shall not be remarketed unless the Paying Agent shall have received an Opinion of Bond Counsel stating that such remarketing will not adversely affect the exemption of interest on such Notes from federal income taxation.

If an Event of Default, as defined in Section 32 hereof, has occurred and is continuing, and the Trustee has notified the Paying Agent that it has given Notice by Mail to the Noteholders of a declaration that all the Notes are due and payable as provided in Section 32 hereof, none of the Notes shall be subject to tender prior to the maturity thereof.

Provided that sufficient funds are available on such date of tender for the payment of the principal amount of and accrued interest on any Note, or portion thereof, for which proper notice of tender has been given to the Paying Agent, then whether or not such Note shall have been delivered to the Paying Agent, from and after such date such Note, or such portion thereof, shall cease to bear interest and shall no longer be deemed to be Outstanding hereunder. If (i) the Noteholder has not specified the number of the Note, or portion thereof, for which such notice of tender has been given, (ii) such Noteholder fails to tender such Note, or portion thereof, for which proper notice of tender has been given and (iii) such Noteholder is the owner of Notes of the Series regarding which such notice of tender has been given in excess of the amount for which such tender notice has been given, the Registrar in its absolute discretion is authorized to determine which of such Notes, or portions thereof, of such Series owned by such Noteholder shall be deemed tendered and no longer Outstanding. The Registrar shall give prompt telephonic, telex or telegraphic notice of such determination to such Noteholder, the Paying Agent and the Remarketing Agent; provided, however, that if such notice is by telephone, such notice shall be promptly confirmed in writing. Any such determination by the Registrar shall be conclusive and binding on the Paying Agent, Remarketing Agent and such Noteholder and his successors and assigns. The Registrar is authorized to issue a new Note in lieu of such Note as to which tender notice has been received as if such Note had been tendered.

(j) The City, acting through its Comptroller, reserves the right to purchase for cancellation any Note tendered for payment pursuant to clause (i) of Section 3 or to purchase any Note held in the Custody Account, upon notice to the Paying Agent and the Remarketing Agent given by irrevocable telephone, telex or telegraphic communication by the Comptroller not later than 2:00 P.M. on the Business Day preceding such day of purchase stating the principal amount and Series of Notes to be purchased; provided, however, that if such notice is by telephone such notice shall be promptly confirmed in writing by the Comptroller.

Any Notes so purchased for cancellation shall be selected first from Notes on deposit in the Custody Account and thereafter from any Notes as such become available upon tender.

(k) The Notes shall be issuable only as fully registered Notes (registered both as to principal and interest and not registered to "Bearer") in the denomination of \$100,000 or integral multiples thereof, except Notes of any Series bearing interest at a Fixed Rate which shall be in the denomination of \$5,000 or integral multiples thereof. Notes of each Series (i) shall be numbered from 1 consecutively upwards, (ii) shall contain an appropriate

prefix to such numbers to identify such Series, and (iii) shall be of a different color than the color of the Notes for any other Series.

The principal of Notes shall be payable to the Noteholders upon presentation and surrender of such Notes as they respectively become due at the Principal Office of the Paying Agent. Interest on Notes shall be paid to the Noteholders on the Interest Payment Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to the address of such Noteholder as it appears on the registration books maintained pursuant to Section 8 hereof. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the Noteholder maintained at the Paying Agent. Such payment of interest shall be to the Noteholders of record on the registration books maintained pursuant to Section 8 hereof as of the close of business on the Record Date; except that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Noteholders in whose name any such Notes (or any Note or Notes issued upon transfer or exchange thereof) are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest.

All Notes will be dated the date of their authentication.

Interest on the Notes will accrue and be payable during the periods and at the times provided for in the form of the Notes.

Execution of Notes.

SECTION 4. Each of the Notes shall be signed and executed on behalf of the City by the facsimile signatures of the Mayor and the City Comptroller and attested by the facsimile signature of its City Clerk, and the corporate seal of the City shall be impressed, printed or lithographed on each Note. The Notes bearing the facsimile signatures of individuals who were at the time of the execution thereof the proper officers of the City shall bind the City notwithstanding that such individuals shall cease to hold such offices prior to the registration, authentication or delivery of such Notes or shall not have held such offices at the dated date of such Notes.

Delivery and Registration.

SECTION 5. No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided in Exhibit A hereto, executed by the Registrar by manual signature, and such certificate upon any such Note shall be conclusive evidence, and the only evidence that such Note has been duly authenticated, registered and delivered.

General Obligation.

SECTION 6. Each Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and

resources. Each Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid the principal of and interest on each Note issued pursuant to this Ordinance at the place, at the time and in the manner provided herein and in the Notes to the true intent and meaning thereof.

*Lost, Destroyed, Improperly Cancelled or
Undelivered Notes.*

SECTION 7. If any Note, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Registrar may authenticate a new Note of like Series, date and denomination and bearing a number not contemporaneously outstanding; provided that (a) in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Registrar and (b) in the case of any lost Note or Note destroyed in whole, there shall be first furnished to the Registrar evidence of such loss or destruction, together with indemnification of the City, the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, satisfactory to such Registrar. In the event any lost, destroyed or improperly cancelled Note shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Note, the Registrar shall pay the same without surrender thereof if there shall be first furnished to the Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Note, the Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Registrar may charge the Noteholder with the Registrar's reasonable fees and expenses in connection with any transaction described in this Section 7 except for improper cancellation by the Registrar.

If a Note is called for redemption and the City elects to purchase the Note in lieu of redemption as provided in Section 11 and funds are deposited with the Paying Agent sufficient for the purchase, whether or not the Note called for redemption is ever delivered, interest on such Note shall cease to be payable to the prior holder thereof from and after the purchase date, such holder shall cease to be entitled to the benefits or security of this Ordinance and shall have recourse solely to the funds held by the Paying Agent for the purchase of such Note and the Registrar shall not register any further transfer of such Note by such prior holder.

All Notes shall be owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of lost, destroyed or improperly cancelled Notes, notwithstanding any law or statute now existing or hereafter enacted.

Transfer, Registration and Exchange of Notes.

SECTION 8. The Registrar shall maintain and keep, at its Principal Office, books for the registration and transfer of Notes, which at all reasonable times shall be open for inspection by the City and the Trustee. The Registrar shall use its best efforts to make all

necessary provisions to permit the exchange or registration of transfer of Notes at its Principal Office on the same Business Day on which such Notes are presented to it.

The transfer of any Note shall be registered upon the books of the Registrar at the written request of the Noteholder or his attorney duly authorized in writing, upon surrender thereof at the Principal Office of the Registrar, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Noteholder or his duly authorized attorney and instructions to the Paying Agent as to the method of payment requested.

The City, the Trustee, the Paying Agent, the Registrar and the Remarketing Agent may deem and treat the Noteholder as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on, or the purchase price of, such Note and for all other purposes, and neither the City, the Trustee, the Paying Agent, the Registrar nor the Remarketing Agent shall be affected by any notice to the contrary. All such payments so made to any such Noteholder shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Notes, upon surrender thereof at the Principal Office of the Registrar may, at the option of the Noteholder, be exchanged for an equal aggregate principal amount of Notes of any authorized denomination of the same Series and bearing interest pursuant to the same Interest Rate Determination Method as all other Notes of such Series.

In all cases in which the privilege of exchanging Notes or registering the transfer of Notes is exercised, the City shall execute and the Registrar shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. For every such exchange or registration of transfer of Notes, whether temporary or definitive, the Registrar may make a charge only in an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, which sum or sums shall be paid by the person requesting such exchange or registration of transfer as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer. During any Fixed Rate Period for any Series of Notes, the Registrar shall not be obligated to make any such exchange or registration of transfer of Notes during the ten (10) days next preceding the date of the mailing of notice of any proposed redemption of Notes nor shall the Registrar be required to make any exchange or registration of transfer of any Notes called for redemption.

Upon each registration of transfer of a Note bearing interest at a Commercial Paper Rate, the Paying Agent shall give written notice to the transferee that (a) no notices of the length of any Commercial Paper Rate Period or the Commercial Paper Rate borne by his Note during such period will be given to the owner of the Note, but that such information may be obtained, upon request, from the Remarketing Agent and setting forth the manner that such information may be obtained, (b) any Note bearing interest at a Commercial Paper Rate will be redeemed on its Interest Payment Date unless the owner chooses to waive such redemption and setting forth the manner in which such redemption may be waived and (c) that no notice of any such redemption will be given to the Noteholder.

Upon each registration of transfer while the Notes bear interest at a Commercial Paper Rate, or at any time the Paying Agent comes into possession of a Note bearing interest at a Commercial Paper Rate, the Paying Agent prior to any delivery of such Note to a Noteholder will attach, to the extent not already attached, and will make the appropriate insertions in, the Schedule attached to the form of Note in Exhibit A.

Temporary Notes.

SECTION 9. Pending the preparation of definitive Notes, the City may execute and the Registrar shall authenticate and deliver temporary Notes. Temporary Notes may be issuable as Notes of any authorized denomination and substantially in the form of the definitive Notes but with omissions, insertions and variations as may be appropriate for temporary Notes, all as may be approved by the City, as evidenced by the execution and delivery thereof. Temporary Notes may contain such reference to any provisions of this Ordinance as may be appropriate. Every temporary Note shall be executed by the City and be authenticated by the Registrar upon the same conditions and in substantially the same manner, and with like effect, as the definitive Notes. As promptly as practicable the City shall execute and shall furnish definitive Notes and thereupon temporary Notes may be surrendered in exchange therefor without charge at the Principal Office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Notes a like aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged the temporary Notes shall be entitled to the same benefits under this Ordinance as definitive Notes.

Cancellation of Notes.

SECTION 10. All Notes which shall have been surrendered to the Paying Agent for payment or redemption, and all Notes which shall have been surrendered to the Registrar for exchange or registration of transfer, shall be cancelled by the Registrar. The Registrar shall furnish to the City, the Trustee, the Paying Agent, the Bank and the Remarketing Agent, a certificate evidencing such cancellations and specifying such Notes by number.

Procedure for Redemption and Purchases in Lieu of Redemption.

SECTION 11. (a) In the event any of the Notes are called for redemption pursuant to subclause (i) or (ii) of clause (h) of Section 3, and the Paying Agent has received from the City notice of such redemption at least 45 days prior to the designated redemption date, or when any of the Series 1986C Notes are to be mandatorily redeemed pursuant to subclause (v) of clause (h) of Section 3, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) if less than all of the Notes are to be redeemed, specify the Series designation of the Notes so to be redeemed, and, if less than all of the Notes of any Series are to be redeemed, specify the particular Notes to be redeemed, identified by number, and the respective principal amounts of such Notes to be so redeemed, (iii) state any condition to such redemption, and (iv) state that on the redemption date, and upon the satisfaction of any such condition, the Notes to be redeemed shall cease to bear interest. Such notice may set forth any additional

information relating to such redemption. Such notice shall be given by Mail to the Noteholders so affected at least thirty (30) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been given, whether or not actually received by the addressee. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(b) In the event any of the Notes are called for redemption pursuant to subclause (iii) of clause (h) of Section 3 hereof, within five Business Days after the receipt by the Paying Agent of the notice to be given by the Bank pursuant to such subclause, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes, or Series of Notes, to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Notes, or Series of Notes, to be redeemed shall cease to bear interest. Such notice may set forth additional information relating to such redemption. Unless the Paying Agent shall have received notice from the Bank rescinding the notice given pursuant to subclause (iii) of clause (h) of Section 3 of this Ordinance, notice shall be given by mail to the Noteholders not less than five (5) days nor more than ten (10) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(c) When Notes are called for redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes", and the Notes provide that they will be redeemed or purchased by the City, the City may direct the purchase of some of or all the Notes called for redemption if it gives a notice to the Paying Agent and the Bank by the day before the redemption date that it wishes the Notes to be purchased, the principal amount of which is specified in the notice. The Paying Agent will purchase Notes called for redemption pursuant to the paragraph in the Notes captioned, "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" unless otherwise instructed in writing by the City before the redemption date.

(d) When Series 1986C Notes are called for redemption as provided in Section 3(h)(v) hereof, the particular Series 1986C Notes to be mandatorily redeemed shall be selected by

the Registrar in denominations of \$100,000 or \$5,000, as the case may be, or any integral multiple thereof.

If it is determined that one or more, but not all, of the \$100,000 or \$5,000, as the case may be, units of principal amount represented by any Series 1986C Note is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Noteholder shall forthwith surrender such Series 1986C Note to the Paying Agent for (i) payment to such Noteholder the redemption price of such unit or units of principal amount called for redemption and (ii) delivery to such Noteholder of a new Series 1986C Note or Notes in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 1986C Note, without charge therefor.

If the Noteholder of any such Series 1986C Note of a denomination greater than \$100,000 or \$5,000, as the case may be, shall fail to present such Series 1986C Note to the Paying Agent for payment and exchange as aforesaid, such Series 1986C Note shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the applicable unit or units of principal amount called for redemption (and to that extent only).

(e) Notes purchased pursuant to tenders as provided in the Notes or in lieu of redemption as provided in the foregoing Section will be offered for sale by the Remarketing Agent as provided in this Section except as follows:

(i) Notes purchased pursuant to a tender after having been called for redemption pursuant to subclause (iii) of clause (h) of Section 3 will be canceled.

(ii) Notes called for redemption under "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate" in the Notes may be remarketed before the redemption date only if the buyer receives a copy of the redemption notice.

(iii) Notes deposited in the Custody Account may be remarketed only if the Opinion of Bond Counsel required by the second paragraph of Section 3(i) is provided to the Paying Agent.

(iv) Notes will be offered for sale under this Section during the continuance of an Event of Default or an event which with the passage of time or the giving of notice or both may become an Event of Default only in the sole discretion of the Remarketing Agent.

(f) Any Notes, or portions thereof, which have been duly selected for redemption shall be deemed to be paid and shall cease to bear interest on the specified redemption date, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders.

No Partial Redemption of Notes After Default.

SECTION 12. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default defined in clause (a), (b) or (c) of the first paragraph of Section 32 hereof, there shall be no redemption of less than all of the Notes at the time Outstanding.

Creation of Note Fund.

SECTION 13. There is hereby created and established a trust fund to be designated "City of Chicago General Obligation Tender Notes, Series 1986, Note Fund." The Note Fund shall be held by the Trustee on behalf of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee, as their interests may appear. The Note Fund shall contain the following three accounts: the Series 1986A Notes Account; the Series 1986B Notes Account; and the Series 1986C Notes Account.

Deposits into Note Fund.

SECTION 14. The City shall deposit into the appropriate account within the Note Fund the moneys pledged under this Ordinance to the reimbursement of the Bank for the payment of the Notes under the Letter of Credit or for the payment of the Series 1986A Notes when necessary, unless a levy has been made as provided in Section 21 hereof, in which case, as such moneys become available, and as to the Series 1986B and Series 1986C Notes as such moneys become available and in accordance with the provisions of the Reimbursement Agreement. As to the Series 1986A Notes, such moneys shall consist of any funds lawfully available for the purpose of reimbursing the Bank for such payments under the Letter of Credit or for the purpose of paying principal of and interest on the Series 1986A Notes, which moneys shall include the proceeds of the collection of the taxes levied, if any, pursuant to Section 21 hereof. As to the Series 1986B Notes, such moneys shall consist of that part of the proceeds of the collection of the taxes levied for the year 1986 pledged by the City pursuant to Section 22 hereof. As to the Series 1986C Notes, such moneys shall consist of the proceeds of the collection of the taxes levied pursuant to Section 23 hereof and other moneys of the City legally available therefor.

The City may deposit lawfully available funds into any account of the Note Fund and may use lawfully available funds for the direct reimbursement of the Bank for the payment of Notes under the Letter of Credit or for direct payment to the Paying Agent for the payment of the principal of and interest on the Notes if the Bank fails to honor a proper draw on the Letter of Credit.

Use of Moneys in the Note Fund.

SECTION 15. Moneys deposited in the separate accounts within the Note Fund shall be remitted by the Trustee to the Bank in an amount sufficient, to the extent available therein, to reimburse the Bank for any draw under the Letter of Credit in accordance with the provisions of the Letter of Credit and the Reimbursement Agreement.

Any notification by the Bank to the Trustee in respect of prepayment of advances pursuant to the provisions of the Letter of Credit and Reimbursement Agreement shall constitute an authorized instruction to transfer funds to the Bank. If such notice is received by the Trustee prior to 2:00 P.M. the Trustee shall, to the extent sufficient funds are available in the appropriate account of the Note Fund, remit immediately available funds on such day to the Bank.

Moneys on deposit in the Note Fund shall be used to pay principal, interest or a tender or redemption price directly to the Paying Agent only at such time as the Bank has failed to honor a proper draw under the Letter of Credit. In all other events, principal, interest and tender and redemption prices on the Notes shall be paid first from the proceeds of the Letter of Credit, and moneys on deposit in the Note Fund shall be used to reimburse the Bank pursuant to the terms of Reimbursement Agreement.

In no event shall the Trustee remit any funds in any of the three accounts within the Note Fund to the Bank for the purpose of reimbursing the Bank for any draw on the Letter of Credit for the payment of principal or interest on the Notes or for purchase of any Note which is not payable from the particular account within the Note Fund or remit any funds in any of the three accounts within the Note Fund to the Paying Agent for the purpose of paying principal or interest on the Notes or for the purchase of any Note which is not payable from the particular account within the Note Fund. Payments from such accounts shall be made only to and for purposes for which such accounts have been created and designated.

Letter of Credit.

SECTION 16. (a) The Paying Agent, acting independently of the City but on behalf of and for the benefit of the Noteholders, shall draw moneys under the Letter of Credit in accordance with the terms thereof to make timely payments of principal of the Notes required to be made whether upon stated maturity or upon redemption and interest on the Notes on any Interest Payment Date.

(b) The Paying Agent shall also draw moneys under the Letter of Credit in accordance with the terms thereof to meet the requirements of Section 3(i) and Section 11(c) hereof.

On the date on which any Series of Notes bears interest at the Commercial Paper Rate, and on the first Business Day of each calendar month thereafter while such Series of Notes bears interest at a Commercial Paper Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 66 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate account of the Service Fund on such day to equal the accrued and unpaid interest on the Series of Notes outstanding on such date bearing interest at the Commercial Paper Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the maximum rate of interest on the Notes permitted by the Reimbursement Agreement.

On the first Business Day of each calendar month after any Series of Notes bears interest at a Fixed Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 66 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate account of the Service Fund on such day to equal the accrued and unpaid interest on the

Series of Notes outstanding on such date bearing interest at the Fixed Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the rate of interest on the Notes.

In the event that any Series of Notes bears interest at the Commercial Paper Rate or at a Fixed Rate and the interest coverage under the Letter of Credit shall exceed interest coverage for 66 days computed at the maximum rate of interest borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall make draws under the Letter of Credit at the times permitted therein to pay accrued and unpaid interest on the Series of Notes bearing interest at such Commercial Paper Rate or Fixed Rate.

(c) The City may, at its election and with the approval of the City Council, deliver to the Paying Agent an Alternate Letter of Credit provided that (i) the conditions precedent to such delivery as specified in the definition of Alternate Letter of Credit are satisfied; (ii) the City shall notify the Trustee, Paying Agent, Remarketing Agent and Bank not less than 30 days prior to the delivery thereof of its intent to deliver an Alternate Letter of Credit; and (iii) the Paying Agent shall give Notice by Mail to Noteholders of the intended delivery of such Alternate Letter of Credit not less than 15 days prior to the delivery of such Alternate Letter of Credit. Upon satisfaction of the preceding provisions the Paying Agent shall accept such Alternate Letter of Credit and promptly surrender the previously held Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. If at any time there shall cease to be any Notes Outstanding hereunder, the Paying Agent shall promptly surrender the Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. The Paying Agent shall comply with the procedures set forth in the Letter of Credit relating to the termination thereof.

(d) Following the receipt by the Paying Agent and the Remarketing Agent of a Noteholder's notice of intention to tender a Note as provided in clause (i) of Section 3 hereof, the Paying Agent shall, not later than 11:45 A.M., on the day on which such Note is to be tendered as provided in such notice, draw on the Letter of Credit an amount sufficient to pay the principal of and accrued interest on such Note to be tendered or deemed tendered. No later than 1:00 P.M. on the day on which such Note is to be tendered as provided in such notice, the Remarketing Agent shall notify the Paying Agent of the principal amount of the Notes which have been remarketed. No later than 2:00 P.M. on such day the Remarketing Agent shall pick up and pay for the remarketed Notes in immediately available funds, which funds shall be held for the benefit of the Bank. Any Notes not remarketed shall be deposited in the Custody Account until remarketed or purchased by the City pursuant to clause (j) of paragraph 3 hereof.

(e) Upon instructions from the Comptroller or the Trustee, the Paying Agent shall give telex, telegraphic or telephonic notice, such telephonic notice to be promptly confirmed in writing, to the Bank, Trustee, City, Remarketing Agent and the Registrar of any reduction in the amount of the Letter of Credit as a result of the payment or provision for payment of Notes, whether at maturity or upon redemption, or the cancellation of Notes pursuant to clause (j) of Section 3 hereof.

(f) So long as any of the Notes are Outstanding in accordance with the provisions hereof the City covenants to maintain the Letter of Credit in an amount sufficient to make timely payments of the principal of and interest on the Notes when due under the provisions hereof. The amount available to be paid under the Letter of Credit in respect of interest on the Notes shall be determined by the Comptroller and shall not exceed 215 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement.

Custody of Note Fund; Withdrawal of Moneys.

SECTION 17. The Trustee shall keep custody of the Note Fund and shall withdraw moneys from the Note Fund only for the purposes and in accordance with the provisions of Sections 15, 20 and 46 hereof. Pending the need for the funds in the Note Fund, the Trustee shall invest such funds in any investments permitted by the Reimbursement Agreement upon the direction of the Treasurer. The income from such investments shall be credited to the particular account within the Note Fund from which the investment was made.

All moneys required to be deposited with or paid to the Trustee for deposit into the Note Fund under any provisions hereof, all moneys withdrawn from the Note Fund or drawn under the Letter of Credit and held by the Trustee, and all investments held as a part of the Note Fund, shall be held by the Trustee, in trust for the benefit of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee, as their interests may appear.

Notes Not Presented for Payment.

SECTION 18. In the event any Notes shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders, the Paying Agent shall segregate and hold such moneys in the Service Fund, without liability for interest thereon, for the benefit of Noteholders who shall (except as provided in the following paragraph) thereafter be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Ordinance or relating to said Notes.

Any moneys which the Paying Agent shall segregate and hold in trust for the payment of the principal of or interest on any Note and which shall remain unclaimed for two years after such principal or interest has become due and payable shall, upon the City's, and, so long as the Reimbursement Agreement is in effect, the Bank's, written request to the Paying Agent, be paid to the City. After the payment of such unclaimed moneys to the City, the Noteholder shall thereafter look only to the City for the payment thereof, and all liability of the Trustee, the Paying Agent and the Bank with respect to such moneys shall thereupon cease.

Creation of Service Fund.

SECTION 19. Any moneys held by the Paying Agent representing moneys drawn under the Letter of Credit or paid over to the Paying Agent by the Trustee or the City, shall be held in trust by the Paying Agent in a trust account on behalf of the City and the

Noteholders, as their interests may appear, and to be designated "City of Chicago General Obligation Tender Notes, Series 1986, Service Fund" (the "Service Fund"). The Service Fund shall contain the following four accounts: the Series 1986A Notes Account, the Series 1986B Notes Account, the Series 1986B-2 Notes Account and the Series 1986C Notes Account. Moneys shall be deposited in the appropriate account reflecting the Series of Notes for which such moneys were received. The Paying Agent shall keep custody of the Service Fund and shall withdraw money therefrom only for the purpose of paying the principal of and interest on the Notes and for the purpose and in accordance with the provision of Sections 18 and 20 hereof.

The Series 1986A Notes Account, the Series 1986B Notes Account, the Series 1986B-2 Notes Account and the Series 1986C Notes Account shall each contain a Letter of Credit Subaccount and a General Subaccount. All moneys obtained under the Letter of Credit shall be deposited in the Letter of Credit Subaccount of the appropriate account and all other moneys held in the Service Fund shall be deposited in the General Subaccount of the appropriate account.

The Comptroller is hereby authorized to enter into such agreements with the Trustee providing for the further segregation of moneys held in the Service Fund or the Note Fund into additional subaccounts as may be necessary for carrying out the purposes of this Ordinance, including the sale of 1986B-2 Notes.

Pending the need for the funds in the Service Fund, the Paying Agent may invest such funds, at the direction of the Comptroller, in general obligations of, or obligations the principal of and interest on which are fully guaranteed as to timely payment by, the United States of America, which obligations shall have maturities not in excess of thirty (30) days from the date of such investment.

All amounts invested shall mature so as to insure timely payment on the Notes.

Payment to City.

SECTION 20. Any moneys remaining in the Note Fund after the right, title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, shall be paid to the City.

Except as provided in the last paragraph of Section 18 hereof, after all covenants, agreements and obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, any moneys remaining in the Service Fund shall be paid to the City.

Any moneys remaining in any account of the Note Fund or held by the Trustee or the Paying Agent for a particular series of the Notes shall be paid to the City after the right or title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders of such series shall have been satisfied and discharged in accordance with the provisions hereof.

The Trustee and the Paying Agent shall be entitled to rely upon notice from or confirmation by each individual entity that its interests have been satisfied in releasing such moneys.

*Tax Levy for Reimbursement of the Bank for Drawings to Pay
the Series 1986A Notes or for the Payment of the
Series 1986A Notes.*

SECTION 21. Unless the Comptroller shall certify to the Bank on or before December 1, 1986, that sufficient funds are legally available and will be used to reimburse the Bank on December 31, 1986 for a drawing or drawings under the Letter of Credit to pay the principal of and interest on the Series 1986A Notes, or to pay the principal of and interest on Series 1986A Notes, a tax levy ordinance shall be adopted by the City Council and a certified copy thereof filed with the County Clerks of Cook and DuPage Counties, Illinois, and a certified copy thereof mailed to the Bank, on or before December 31, 1986, such ordinance to levy an amount sufficient to reimburse the Bank for such drawing or drawings on or before December 31, 1987 or to pay the principal of and interest on the Series 1986A Notes if the Bank has failed to honor a proper draw under the Letter of Credit. If such reimbursement obligation or payment of principal of and interest on the Series 1986A Notes is thereafter paid from any other funds or revenues of the City prior to the extension date for such levy such taxes so levied shall be abated.

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes, if levied and collected, into the Note Fund in accordance with the terms of the Reimbursement Agreement.

*Pledge of Taxes for Reimbursement of the Bank for Drawings
to Pay the Series 1986B Notes or for the Payment of
the Series 1986B Notes from the Proceeds of
Certain Taxes Levied for the Year 1986.*

SECTION 22. From the proceeds of taxes levied by the City for the year 1986 for the Corporate Fund, Chicago Public Library (Maintenance and Operation) Fund, City Relief (General Assistance) Fund, Judgment Fund and Chicago Public Library (Building and Sites) Fund, the City Treasurer is hereby ordered and directed to deposit proceeds thereof into the Note Fund in an amount sufficient to reimburse the Bank in accordance with the terms of the Reimbursement Agreement or to pay the principal of and interest on the Series 1986B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

The City covenants that it will make no further borrowings payable from the proceeds of the taxes levied for the purposes referred to in this Section unless such borrowings are junior and subordinate in all respects to the City's obligation to reimburse the Bank for any draw under the Letter of Credit for the purpose of paying principal of and interest on the Series 1986B Notes or to pay principal of and interest on the Series 1986B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

*Levy of Taxes for Reimbursement of the Bank for Drawings
to Pay the Series 1986C Notes or for the Payment of
the Series 1986C Notes.*

SECTION 23. For the purpose of providing the funds required to reimburse the Bank for the payment of drawings to pay the principal of and interest (calculated at 6% per annum) on the Series 1986C Notes promptly as the same become due at maturity, or to pay the principal and interest on the Series 1986C Notes if the Bank has failed to honor a proper draw on the Letter of Credit there is hereby levied and there shall be collected the following direct annual tax upon all taxable property in the City:

For the Year	A Tax Sufficient to Produce the Sum of:
1986	\$4,050,000 for interest from February 1, 1986 to April 30, 1988
1987	\$1,800,000 for interest
1988	\$9,300,000 for interest and principal
1989	\$23,175,000 for interest and principal

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes so levied into the Note Fund in accordance with the terms of the Reimbursement Agreement.

Appropriations.

SECTION 24. The City shall appropriate amounts sufficient to reimburse the Bank at the times and in the amounts as provided in the Reimbursement Agreement and to pay the fees and expenses of the Trustee, Paying Agent, Remarketing Agent and Registrar in a timely manner and the City hereby covenants to take timely action as required by law to carry out the provisions of this Section, but, if for any such year it fails to do so, this Ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

Insufficiency of Taxes to Pay Reimbursement Obligations and the Letter of Credit Note.

SECTION 25. In the event that proceeds of the taxes levied or to be levied hereunder are not available in time to make any payments when due under the Reimbursement Agreement, then the Comptroller and the Treasurer of the City are hereby directed to make such payments in accordance with the Reimbursement Agreement from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advancement of the collection of the taxes and when the proceeds of such taxes are received such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of its obligations under the Reimbursement Agreement and the Letter of Credit Note as the same become due.

The Letter of Credit Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources. The Letter of Credit Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid its obligations under the Reimbursement Agreement and the Letter of Credit Note at the place, at the time and in the manner provided therein.

In the event a payment is made in accordance with the Reimbursement Agreement as set forth above, the Comptroller shall promptly notify the City Council and set forth the reasons requiring such payment.

Filing of Ordinance.

SECTION 26. A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "County Clerks"), and such filing shall constitute the authority for and it shall be the duty of said County Clerks, in each year beginning in 1986 to and including 1989, to extend the taxes levied pursuant to Section 23 hereof for collection, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this Ordinance, duly certified by the City Clerk, shall also be filed with the Bank, the Paying Agent, the Remarketing Agent, the Registrar and the Trustee.

Disclosure Documents.

SECTION 27. The Mayor or the City Comptroller are hereby authorized to execute and deliver such disclosure documents with respect to the Notes as they shall deem appropriate on behalf of the City.

Proceeds of the Notes.

SECTION 28. The proceeds from the sale of the Notes shall be used as follows:

(a) From the proceeds of the Series 1986A Notes a sum sufficient shall be used to finance the current cash requirements of the City; provided, however, that \$50,000,000 of the proceeds shall be available immediately to meet current cash requirements and that the remaining \$50,000,000 shall be available for such purposes only upon the approval of the City Council.

(b) The proceeds of the \$80,500,000 Series 1986B Notes described in clause (ii) of paragraph (b) of Section 3 hereof shall be deposited in the following funds of the City in the following amounts:

(i) Corporate Fund -- \$20,400,000;

(ii) Chicago Public Library (Maintenance and Operation) Fund -- \$28,000,000;

(iii) City Relief (General Assistance) Fund -- \$12,730,000;

(iv) Judgment Fund -- \$18,170,000; and

(v) Chicago Public Library (Building and Sites) Fund -- \$1,200,000;

and used for the purpose of paying amounts appropriated for such respective funds for the year 1986. The proceeds of any additional Series 1986B Notes issued pursuant to Section 89 hereof shall be deposited in the Corporate Fund and used for the purpose of paying amounts appropriated for said Fund in the year 1986.

(c) The proceeds from the sale of the Series 1986C Notes shall be deposited in the appropriate funds of the City and used for the purpose of acquiring capital equipment as provided for in subclause (iii) of clause (b) of Section 3 hereof.

Performance of Covenants.

SECTION 29. The City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Ordinance, in any and every Note executed, authenticated and delivered hereunder, in the Reimbursement Agreement, in the Letter of Credit Note and the Remarketing Agreement, and in all proceedings pertaining thereto.

No Transfer of Letter of Credit.

SECTION 30. The Paying Agent shall not sell, assign or transfer the Letter of Credit except to a successor Paying Agent under this Ordinance and except as provided herein or in the Letter of Credit.

Arbitrage and Tax Exemption Covenant.

SECTION 31. (a) The City covenants for the benefit of the purchasers of the Notes that it will not act so as to cause the proceeds of the Notes, the earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Notes (whether such moneys were derived from the proceeds of the sale of the Notes or from other sources) to be used in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, or any comparable provision of any successor Internal Revenue Code of the United States of America.

(b) The City covenants for the benefit of the purchasers of the Notes that it will act with respect to the proceeds of the Notes, the earnings on the proceeds of the Notes and any other moneys on deposit in any fund or account maintained in respect of the Notes, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on the Notes to continue to be exempt from federal income taxation under Section 103 of the Internal Revenue Code of 1954, as amended, or any successor Internal Revenue Code of the United States of America. The Comptroller is

hereby authorized to execute such agreements as shall be necessary, in the opinion of Bond Counsel, to evidence the City's compliance with the covenants contained in this paragraph.

Events of Default.

SECTION 32. Each of the following events shall constitute and is referred to in this Ordinance as an "Event of Default":

(a) a failure to pay the principal of the Notes when the same shall become due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on the Notes upon the day when the same shall become due;

(c) a failure to pay the principal of and accrued interest on any validly tendered Note under the provisions of clause (i) of Section 3 hereof, to the holder thereof upon the same Business Day such Note is tendered;

(d) a failure by the City to maintain the Letter of Credit as provided in this Ordinance;
or

(e) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b), (c), or (d) of this Section) contained in the Notes or in this Ordinance on the part of the City to be observed or performed, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Trustee and the City by Noteholders owning not less than 25% of the principal amount of Notes then Outstanding.

Upon the occurrence and continuance of any Event of Default described in the immediately preceding paragraph, the Trustee may, and at the written request of Noteholders owning not less than 25% in principal amount of Notes then outstanding, shall, by written notice to the City, the Remarketing Agent, the Paying Agent and the Bank, declare the Notes to be immediately due and payable, whereupon they shall, without further action, become and be immediately due and payable, anything in this Ordinance or in the Notes to the contrary notwithstanding, and the Trustee shall give notice thereof to the City and the Bank, and shall give notice thereof by Mail to all Noteholders owning Outstanding Notes.

Remedies.

SECTION 33. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Bank or Noteholders owning not less than 25% in principal amount of the Notes then Outstanding and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Noteholders, and require the City or the Bank to carry out any agreements with or for the benefit of the Noteholders and to perform its or their duties under this Ordinance and the Letter of Credit;

(b) bring suit upon the Notes; or

(c) by action or suit at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Noteholders.

In the event that notice of the occurrence and continuance of an Event of Default has been mailed, as provided in Section 32 hereof, the Paying Agent shall assign the Letter of Credit to the Trustee and the Trustee shall pursue all remedies thereunder and hereunder and shall assume all duties of the Paying Agent and Registrar.

*Rescission of Notice of Acceleration; Restoration
to Former Position.*

SECTION 34. (a) The provisions of clause (b) of Section 11 are subject to the condition that any rescission and annulment of the consequences of the receipt of notice given pursuant to subclause (iii) of clause (h) of Section 3 hereof may constitute a rescission and annulment of the consequences thereof hereunder only if such notice of mandatory redemption shall not have been given by Mail to the Noteholders as provided herein and the Trustee shall have received written notice from the Bank that the Letter of Credit in respect of which the Bank had previously given notice pursuant to subclause (iii) of clause (h) of Section 3 hereof has been reinstated to the amount covered by such Letter of Credit immediately preceding the giving of such notice by the Bank. Prompt notice of such rescission and annulment shall be given, if received by the Paying Agent prior to the notice by Mail to the Noteholders of such mandatory redemption, to the City, the Trustee, the Bank and the Remarketing Agent.

(b) In the event that any proceeding taken by the Trustee to enforce any right under this Ordinance shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee, the Bank, the Noteholders, the Paying Agent, the Registrar and the Remarketing Agent respectively, and all rights, remedies and powers of each of such parties shall continue as though no such proceeding had been taken.

Noteholders' Right to Direct Proceedings.

SECTION 35. Anything in this Ordinance to the contrary notwithstanding, the Noteholders owning a majority in principal amount of the Notes then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Ordinance or exercising any trust or power conferred on the Trustee by this Ordinance.

Limitation on Noteholders' Right to Institute Proceedings.

SECTION 36. No Noteholder, in its capacity as such, shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Notes, unless such Noteholder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also Noteholders of not less than 25% in principal amount of the Notes then Outstanding shall have made written request of the Trustee so to do, after the right to institute said suit, action or proceeding shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the Noteholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder or under the Notes, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Noteholders.

No Impairment of Right to Enforce Payment.

SECTION 37. Notwithstanding any other provision in this Ordinance, the right of any Noteholder to receive payment of the principal of and interest on such Note, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Noteholder.

Proceedings by Trustee Without Possession of Notes.

SECTION 38. All rights of action (including the right to file proof of claims) under this Ordinance or under any of the Notes secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Notes, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Noteholders, subject to the provisions of this Ordinance.

No Remedy Exclusive.

SECTION 39. No remedy herein conferred upon or reserved to the Trustee, the Bank or to Noteholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No Waiver of Remedies.

SECTION 40. No delay or omission of the Trustee, the Bank or of any Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and

every power and remedy given hereunder to the Trustee, to the Bank and to the Noteholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Application of Moneys.

SECTION 41. Any moneys received by the Trustee, by any receiver or by any Noteholder pursuant to any right given or action taken under the provisions hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Paying Agent or the Registrar, such receiver or Noteholder, shall be deposited in the Note Fund and all moneys so deposited in the Note Fund during the continuance of an Event of Default (other than moneys for the payment of Notes which had matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default) shall be applied as follows:

(a) Unless the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Notes, with interest on overdue installments, if lawful, at the rate of six per cent per annum, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Notes which shall have become due (other than Notes called for redemption for the payment of which money is held pursuant to the provisions of the Ordinance) with interest on such Notes at the rate of six percent per annum from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Notes due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes, with interest on overdue interest and principal, as provided in clause (a) of this Section 41, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege. If principal and interest on the Notes and all other payments under this Ordinance have been paid, any amounts remaining shall be paid to the Bank, but only to the extent that funds are owed to the Bank as a result of draws on the Letter of Credit.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of clause (b) of Section 34, then, subject to the provisions of clause (b) of this Section 41 which shall be applicable in the event that the principal of all the Notes shall later

become due and payable, the moneys shall be applied in accordance with the provisions of clause (a) of this Section.

Whenever moneys are to be applied pursuant to this Section 41, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Noteholders owning Outstanding Notes and shall not be required to make payment to any Noteholder until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Severability of Remedies.

SECTION 42. It is the purpose and intention of this Ordinance to provide rights and remedies to the Trustee, the Bank and the Noteholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee, the Bank and the Noteholders shall be entitled, as above set forth, to every other right and remedy provided in this Ordinance and by law.

Acceptance of Duties.

SECTION 43. The City hereby appoints Continental Illinois National Bank and Trust Company of Chicago, as Trustee and Irving Trust Company, as Paying Agent and Registrar for the purposes and upon the express terms and conditions set forth herein. The acceptance of the Trustee shall be evidenced by its execution of an acceptance of such trust and the acceptance of the Paying Agent and the Registrar shall be evidenced by its execution of an acceptance of such duties. No implied covenants or obligations shall be read into this Ordinance against the Trustee or the Paying Agent or the Registrar. The City and the Noteholders by their delivery and acceptance of delivery of any of the Notes agree to the terms set forth in the Ordinance.

No Responsibility for Recitals.

SECTION 44. The recitals, statements and representations contained in this Ordinance or in the Notes, save only the Registrar's authentication upon the Notes, shall be taken and construed as made by and on the part of the City, and not by the Trustee or the Paying Agent and Registrar, and the Trustee and the Paying Agent and Registrar do not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Limitations on Liability.

SECTION 45. The Trustee or Paying Agent or Registrar may execute any of the trusts or powers hereof and perform the duties required hereunder by or through attorneys,

agents or receivers, and shall be entitled to, and may rely upon, written advice of counsel concerning all matters of trust and duty hereunder, and the Trustee or Paying Agent or Registrar shall not be answerable for the negligence or misconduct of any such attorney or agent selected with reasonable care. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance and no others. The Trustee shall not be answerable for the exercise of any discretion or power under this Ordinance or for anything whatsoever in connection with the trust created hereby, except only for its own negligence or bad faith. The Trustee or Paying Agent or Registrar shall not be accountable for the use or application of the proceeds of any of the Notes issued hereunder.

Registrar and the Paying Agent shall at all times have and perform only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Registrar or the Paying Agent. Neither the Registrar nor the Paying Agent nor any of their respective officers, employees, attorneys or agents shall be liable to the City, any Noteholder, the Remarketing Agent or the Bank for any action taken or omitted to be taken hereunder except for negligence or willful misconduct provided that this sentence does not extend the duties established by, or limit the exculpatory effect of, any other provision of this Ordinance, and provided further that the Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by an officer of the Paying Agent and Registrar.

Compensation, Expenses and Advances.

SECTION 46. The Trustee, the Paying Agent and the Registrar under this Ordinance shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including the reasonable compensation and the expenses and disbursements of their agents and counsel) reasonably incurred in connection therewith except for such expenses incurred as a result of their negligence or bad faith. The City shall have the right to contest in good faith any fees or expenses of the Trustee, the Paying Agent and the Registrar without creating a default hereunder. If an Event of Default under this Ordinance shall otherwise exist, the Trustee, the Registrar and the Paying Agent shall have, in addition to any other rights hereunder, a claim, prior to the claim of the Noteholders and the Bank, for the payment of their compensation and the reimbursement of their expenses and any advances made by them, as provided in this Section, upon the moneys and obligations in the Note Fund, except for proceeds of drawings under the Letter of Credit and except for moneys or obligations deposited with or paid to the Paying Agent for the redemption or payment or purchase of tendered Notes which are deemed to have been paid in accordance with the provisions hereof and funds held pursuant to Section 18 hereof.

The Remarketing Agent shall be entitled to compensation and the reimbursement of expenses as provided in the Remarketing Agreement.

Notice of Events of Default.

SECTION 47. The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Ordinance other than an Event of

Default under clause (a), (b), (c) or (d) of the first paragraph of Section 32 hereof, unless specifically notified in writing of such default or Event of Default by Noteholders owning at least 25% in principal amount of the Notes then Outstanding.

The Paying Agent shall give telegraphic or telex or telephonic notice to the Trustee, promptly confirmed in writing, of any Event of Default under clause (a) and (b) or, upon having notice thereof, (c) of the first paragraph of Section 32 hereof.

Several Capacities.

SECTION 48. Anything in this Ordinance to the contrary notwithstanding, the same entity shall serve as Paying Agent and Registrar and may serve hereunder as the Trustee, the Paying Agent, the Registrar and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law; provided, however, that any resignation of any such capacities by any such entity shall require the resignation of such entity from all such capacities; and provided, further, however, that the Paying Agent, Registrar and Remarketing Agent shall all have their principal offices in the City of New York, New York.

Good Faith Reliance.

SECTION 49. The Trustee, the Paying Agent and the Registrar in the absence of bad faith on their part, shall be protected and shall incur no liability in acting upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document or telephonic notice (where authorized by this Ordinance) which it shall believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Ordinance, or upon the written opinion of any attorney, engineer, accountant or other expert, and the Trustee, the Paying Agent and the Registrar shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Neither the Trustee, the Registrar, the Paying Agent, nor the Remarketing Agent shall be bound to recognize any person as a Noteholder or to take any action at his request unless his Note shall be deposited with such entity or satisfactory evidence of the ownership of such Note shall be furnished to such entity.

Any request or direction of the City as provided in this Ordinance shall be sufficiently evidenced by, and the Trustee, the Paying Agent and the Registrar may conclusively rely upon, a written instrument from the City signed by its Comptroller. As to any fact or circumstance concerning which the Trustee requests verification, the Trustee, the Paying Agent and the Registrar may conclusively rely upon a certificate signed by such Comptroller.

Dealings in Notes and With City.

SECTION 50. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, may buy, sell, own, hold and deal in any of

the Notes issued hereunder for its own account or that of any other person, and may join in any action which any Noteholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City and may act as depositary, trustee or agent for any committee or body of Noteholders secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

The City, acting through its Comptroller and Treasurer, may buy, sell, own and hold any of the Notes issued hereunder for its own account; provided, however, that such Notes may only be bought through the Remarketing Agent and provided further however, that such Notes may only be sold or remarketed if the City has received an Opinion of Bond Counsel stating that such sale or remarketing will not adversely affect the exemption of interest on the Notes from federal income taxation.

Resignation of Trustee.

SECTION 51. The Trustee may resign and be discharged of the trusts created by this Ordinance by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the City, the Paying Agent, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. If the successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 55.

Removal of Trustee.

SECTION 52. The Trustee may be removed at any time prior to any Event of Default by the City by filing with the Trustee to be removed, and with the Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing designating a successor and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

Appointment of Successor Trustee.

SECTION 53. In case at any time the Trustee shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Trustee and a successor may

be appointed, and in case at any time the Trustee shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Trustee, the successor Trustee, the Paying Agent, Remarketing Agent and the Bank, and to be given by Mail to all Noteholders. Any new Trustee so appointed by the City shall immediately and without further act supersede the predecessor Trustee.

Qualifications of Successor Trustee.

SECTION 54. Every successor Trustee (a) shall be a bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (iii) capable of meeting its obligations hereunder and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

Judicial Appointment of Successor Trustee.

SECTION 55. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

Acceptance of Trusts by Successor Trustee.

SECTION 56. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, such predecessor Trustee and the City shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 46 hereof, such predecessor Trustee shall pay over and deliver to the successor Trustee all moneys and other assets at the time held by it hereunder.

Successor by Merger or Consolidation.

SECTION 57. Any corporation into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Ordinance, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

Standard of Care; Action by Trustee.

SECTION 58. Notwithstanding any other provisions of this Ordinance, the Trustee shall, during the existence of an Event of Default of which the Trustee has actual notice, exercise such of the rights and powers vested in it by this Ordinance and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances in the conduct of his own affairs; provided, however, that the Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder other than an Event of Default under clause (d) of the first paragraph of Section 32 hereof, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by Noteholders of at least 25% in principal amount of the Notes then Outstanding, and if, in its opinion such action may tend to involve it in expense or liability, unless furnished from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing proviso is intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provisions of this Ordinance to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Noteholders, or without such security or idemnity. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance and no others.

Duties of the Trustee.

SECTION 59. The Trustee covenants and agrees:

(a) to keep such books and records as shall be consistent with prudent industry practice, and to make such books and records available for inspection by the City at all reasonable times; and

(b) to provide such information and reports to the Comptroller and the Bank as shall be reasonably requested in writing by the Comptroller and the Bank.

Resignation of Paying Agent and Registrar.

SECTION 60. The Paying Agent and Registrar may resign and be discharged of the duties created by this Ordinance by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the City, the Trustee, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Paying Agent and Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent and Registrar. If the successor Paying Agent and Registrar shall not have been appointed within a period of 90 days following the giving of notice, then the Paying Agent and Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent and Registrar as provided in Section 64.

Removal of Paying Agent and Registrar.

SECTION 61. The Paying Agent and Registrar may be removed at any time prior to any Event of Default by the City by filing with the Paying Agent and Registrar to be removed, and with the Trustee, Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing, designating and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

Appointment of Successor Paying Agent and Registrar.

SECTION 62. In case at any time the Paying Agent and Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Paying Agent and Registrar and a successor may be appointed, and in case at any time the Paying Agent and Registrar shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Paying Agent and Registrar, the successor Paying Agent and Registrar, the Trustee, the Remarketing Agent and the Bank, and to be given by Mail to all Noteholders. Any new Paying Agent and Registrar so appointed by the City shall immediately and without further act supersede the predecessor Paying Agent and Registrar.

Qualifications of Successor Paying Agent and Registrar.

SECTION 63. Every successor Paying Agent and Registrar (a) shall be a commercial bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof, and (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

Judicial Appointment of Successor Paying Agent and Registrar.

SECTION 64. In case at any time the Paying Agent and the Registrar shall resign and no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent and Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent and Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent and Registrar.

Acceptance of Duties by Successor Paying Agent and Registrar.

SECTION 65. Any successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent and Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent and Registrar herein. Upon request of such Paying Agent and Registrar, such predecessor Paying Agent and Registrar, and the City shall execute and deliver an instrument transferring to such successor Paying Agent and Registrar all the estates, property, rights, powers hereunder of such predecessor Paying Agent and Registrar and, subject to the provisions of Section 46 hereof, such predecessor Paying Agent and Registrar shall pay over and deliver to the successor Paying Agent and Registrar all moneys and other assets at the time held by it hereunder.

Successor by Merger or Consolidation.

SECTION 66. Any corporation into which any Paying Agent and Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent and Registrar hereunder shall be a party, shall be the successor Paying Agent and Registrar under this Ordinance, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

Duties of Paying Agent.

SECTION 67. The Paying Agent (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Paying Agent will agree, particularly:

- (a) to hold all sums held by it for the payment of the principal of or interest on Notes in trust for the benefit of the Noteholders until such sums shall be paid to such Noteholders or otherwise disposed of as herein provided;
- (b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and
- (c) provide such information and reports to the Comptroller as shall be reasonably requested in writing by the Comptroller.

Duties of Registrar.

SECTION 68. The Registrar (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Registrar will agree, particularly:

(a) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and

(b) to provide such information and reports to the Comptroller as shall reasonably be requested in writing by the Comptroller.

Payments by Paying Agent and Registrar.

SECTION 69. Any provision of this Ordinance to the contrary notwithstanding, the Registrar and the Paying Agent shall never be required to make any payments or purchase any tendered Notes except from funds provided by the Bank, the Trustee, the City or the Remarketing Agent and no provision of this Ordinance shall require the Paying Agent and Registrar to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

Remarketing Agent.

SECTION 70. The City hereby approves Salomon Brothers, Incorporated as the initial Remarketing Agent. The Remarketing Agreement in substantially the form attached hereto as Exhibit B is hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized and directed to execute the same.

In the absence of any designated Remarketing Agent, notice to a Remarketing Agent shall not be necessary to a valid tender.

The Bank.

SECTION 71. The City hereby approves The Mitsubishi Bank, Limited New York Branch, as the Bank. The Reimbursement Agreement in substantially the form attached hereto as Exhibit C and a Letter of Credit Note in substantially the form attached hereto as Exhibit D are hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized to execute the same.

Limitations upon Rights.

SECTION 72. Notwithstanding any other provision of this Ordinance to the contrary, no right granted to the Trustee, Paying Agent, Remarketing Agent, Registrar or any other entity ever appointed in any capacity under this Ordinance shall ever be construed to grant to such entities, or any of them, any rights with respect to any properties or facilities of the City. The operations of the City are essential to the public welfare and safety and shall never be subject to any control, supervision or direction of such entities or any of them. Such entities, by their acceptance of the trusts and other obligations created under this Ordinance, hereby assent to the foregoing limitations and agree to be bound thereby for all purposes.

Note Insurance.

SECTION 73. The Comptroller is hereby authorized to obtain a policy of note insurance if it is determined by him to be desirable in connection with the marketing and remarketing of the Notes and the Trustee shall be authorized to receive the proceeds of any such policy for application pursuant to the provisions thereof.

Limitations on Amendments of this Ordinance.

SECTION 74. This Ordinance shall not be modified or amended in any respect subsequent to the issuance of the Notes except as provided in and in accordance with and subject to the provisions hereof.

Amendments Without Noteholder Consent.

SECTION 75. The City may, from time to time and at any time, without the consent of or notice to the Noteholders, but upon notice to, and with the written consent of, the Bank, the Trustee and the Paying Agent amend this Ordinance as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Ordinance;
- (b) to grant to or confer or impose upon the Trustee or the Paying Agent for the benefit of the Noteholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Ordinance as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee or the Paying Agent without its consent;
- (c) to add to the covenants and agreements of, and limitations and restrictions upon the City in this Ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Ordinance as theretofore in effect;
- (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Ordinance, or of any moneys, securities or funds;
- (e) to authorize a different denomination or denominations of the Notes and to make correlative amendments and modifications to this Ordinance regarding exchangeability of Notes of different denominations, redemptions of portions of Notes of particular denominations and similar amendments and modifications of a technical nature;
- (f) to comply with any applicable requirements of the Trust Indenture Act of 1939, as from time to time amended;
- (g) to modify, alter, amend or supplement this Ordinance in any other respect which is not materially adverse to the Noteholders or the Bank and which does not involve a change described in clause (i) or (ii) (iii) of Section 76(a) hereof and which, in the judgment of the Trustee (who may rely upon an opinion of Bond Counsel), is not to the material prejudice of the Trustee or the Paying Agent; and

(h) to provide any amendment necessary for uncertificated Notes or coupons and bearer Notes or Notes registered as to principal only.

Before the City shall amend this Ordinance pursuant to this Section, there shall have been delivered to the Trustee and the Paying Agent an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Ordinance, complies with the respective terms thereof, will, upon the adoption thereof, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

Amendments with Noteholder Consent.

SECTION 76. (a) Except for any amendment adopted pursuant to Section 75 hereof, subject to the terms and provisions contained in this Section and not otherwise, the City may, from time to time, with the written consent of the Bank, the Trustee, the Paying Agent and the consent of Noteholders of not less than 60% in aggregate principal amount of the Notes then Outstanding (excluding therefrom any Notes then owned by the City), adopt any supplemental Ordinance deemed necessary or desirable by the City for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Ordinance; provided, however, that, unless approved in writing by the Bank and the Noteholders of all the Notes then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Note, a change in the terms of the purchase thereof by the Paying Agent or the Trustee, or a reduction in the principal amount or redemption price of any Outstanding Note or the rate of interest thereon, or (ii) a preference or priority of any Note or Notes over any other Note or Notes, or (iii) a reduction in the aggregate principal amount of Notes the consent of the Noteholders of which is required for any such amendment.

(b) If at any time the City shall propose to adopt any Supplemental Ordinance for any of the purposes of this Section, the Trustee shall cause the notice of the proposed Supplemental Ordinance to be given by Mail to all Noteholders owning Outstanding Notes. Such notice shall briefly set forth the nature of the proposed Supplemental Ordinance and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Noteholders.

(c) Within two years after the date of the first mailing of such notice, the City, the Trustee and the Paying Agent may approve such Supplemental Ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Noteholders and the Bank, and (ii) an opinion of Bond Counsel stating that such Supplemental Ordinance is authorized or permitted by this Ordinance, complies with its terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

(d) If Noteholders of not less than the percentage of Notes required by this Section shall have consented to and approved the execution and delivery thereof as herein provided, no Noteholder shall have any right to object to the execution and delivery of such Supplemental Ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner question the propriety of the execution and delivery thereof, or to enjoin or restrain the City or the Trustee or the Paying Agent from adopting, executing and delivering the same or from taking any action pursuant to the provisions thereof.

Effect of Supplemental Ordinance.

SECTION 77. Upon the execution and delivery of any Supplemental Ordinance pursuant to the provisions of this Ordinance, this Ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City, the Trustee, the Paying Agent, the Bank and all Noteholders owning Notes then Outstanding shall thereafter be determined, exercised and enforced under this Ordinance subject in all respects to such modifications and amendments.

Consent of Bank Required.

SECTION 78. Anything herein to the contrary notwithstanding, any Supplemental Ordinance under this Ordinance which affects any rights, powers, remedies, agreements or obligations of the Bank under this Ordinance, or requires a revision of the Letter of Credit shall not become effective unless and until the Bank shall have consented to such Supplemental Ordinance. Written notice of any Supplemental Ordinance shall be furnished to the Bank, Moody's and S & P, by the Trustee.

Parties in Interest.

SECTION 79. Except as herein otherwise specifically provided, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders any right, remedy or claim under or by reason of this Ordinance, this Ordinance being intended to be for the sole and exclusive benefit of the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders.

The provisions of this Ordinance shall constitute a contract between the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the holders of the Outstanding Notes, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Notes.

Severability.

SECTION 80. In case any one or more of the provisions of this Ordinance or of the Notes issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance or such Notes, and this

Ordinance and such Notes shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein or therein.

No Personal Liability of Officials of City.

SECTION 81. No covenant or agreement contained in the Notes or in this Ordinance shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the members of the City Council nor any official executing the Notes shall be liable personally on the Notes, the Letter of Credit Note or under the Reimbursement Agreement or be subject to any personal liability or accountability by reason of the issuance of the Notes, the Letter of Credit Note or the execution and delivery of the Reimbursement Agreement.

Counterparts.

SECTION 82. This Ordinance may be executed in any number of counterparts, each of which, when so executed and delivered, shall be a original; but such counterparts shall together constitute but one and the same Ordinance.

Governing Law.

SECTION 83. The laws of the State of Illinois shall govern the construction and enforcement of this Ordinance and of all Notes issued hereunder; provided, however, that the administration of the trusts imposed upon the Trustee and the Paying Agent by this Ordinance shall be governed by, and construed in accordance with, the laws of the respective jurisdictions in which the Trustee and the Paying Agent have their Principal Offices.

Notices.

SECTION 84. Except as otherwise provided in this Ordinance, all notices, certificates, requests, requisitions or other communications by the City, the Trustee, the Paying Agent, the Registrar, the Remarketing Agent or the Bank pursuant to this Ordinance shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows: if to the City, at the Comptroller's Office, City Hall, Room 501, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: City Comptroller; if to the Trustee, at 30 North LaSalle Street, Chicago, Illinois 60697, Attention: Corporate Trust Department; if to the Paying Agent, other than with respect to tenders, at One Wall Street, New York, New York 10015, Attention: Corporate Trust Operations and, with respect to tenders, at the address set forth in Exhibit A hereto; if to the Registrar or the Remarketing Agent, at the address designated to the City; and if to the Bank, to the address designated in the Letter of Credit. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder, including without limitation, telephonic, telex or other similar forms of notice.

The City shall promptly give notice of (i) the designation of any new Trustee or Paying Agent, (ii) the termination of the Letter of Credit, (iii) any intention to obtain an Alternate

Letter of Credit as provided in clause (c) of Section 16 hereof and (iv) any proposed amendment to this Ordinance, (v) any amendment to the Letter of Credit, the Reimbursement Agreement (or the Custody Agreement executed in connection therewith), or the Remarketing Agreement which, in the opinion of the City, the Trustee or the Paying Agent, is deemed to be a material change, (vi) any replacement of the Remarketing Agent or (vii) any change in the interest rate determination method hereunder, directly to: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Municipal Department-Structured Finance Group and to Standard and Poor's Corporation, 25 Broadway, New York 10004, or to such other address as shall be provided to the City for such notice.

Business Days and Times.

SECTION 85. (a) If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

(b) All times for the making of any payment or the performance of any Act, as provided in this Ordinance, shall mean the local time prevailing in the City of New York, New York.

Sale and Delivery of the Notes.

SECTION 86. Each series of Notes shall be sold and delivered to the underwriters and subject to the terms and conditions of a contract of purchase related thereto. Each Series of Notes may be sold separately or in combination with any other Series of Notes from time to time in accordance with the following paragraph. In connection with the offering and delivery of the Notes at separate times, the Comptroller shall be authorized to enter into any additional agreements comparable to any agreement authorized hereunder and to deliver any certificates required of the City in connection with such separate sale.

The sale and delivery of any Series, or combination of Series, of Notes shall be authorized by the Comptroller with the approval of the Chairman of the Committee on Finance of the City Council.

The Registrar shall be authorized to authenticate and deliver each Series of Notes at the initial delivery of such Series upon receipt of the related Letter of Credit and telephonic authorization, to be confirmed in writing, from the Comptroller evidencing that all conditions precedent to the issuance of such Notes as provided in this Ordinance, the related Reimbursement Agreement, the related contract of purchase and the related Remarketing Agreement have been satisfied.

The provisions of this Section 86 shall apply generally to the sale of any additional Series 1986B Notes pursuant to Section 89 hereof.

Repealer.

SECTION 87. 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.

Publication.

SECTION 88. This Ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least 100 copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance, and this Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided by law.

Sale and Delivery of Additional Series 1986B Notes.

SECTION 89. Notwithstanding any provision of this Ordinance to the contrary, the Comptroller is hereby authorized to sell, with the approval of the Chairman of the Committee on Finance of the City Council, and deliver Series 1986B Notes in addition to the \$80,500,000 authorized in clause (ii) of paragraph (b) of Section 3 of this Ordinance. Such additional Series 1986B Notes may be sold in a principal amount not to exceed 90% of any property taxes levied by the City for the year 1986 for the Corporate Fund in excess of \$37,115,603. The proceeds of any such additional Series 1986B Notes shall be deposited in the Corporate Fund.

The additional Series 1986B Notes authorized by this Section 89 shall be subject to all of the conditions precedent to the issuance of Series 1986B Notes as provided in this Ordinance, the related Reimbursement Agreement, the related contract of purchase and the related Remarketing Agreement. All references to "Series 1986B Notes" or "Notes" in this Ordinance shall include any such additional Series 1986B Notes, unless the context shall clearly indicate otherwise. Any such additional Series 1986B Notes may be sold separately from the \$80,500,000 Series 1986B Notes described in clause (ii) of paragraph (b) of Section 3 hereof.

The Registrar shall designate any such additional Series 1986B Notes on the face thereof as "Series 1986B-2" upon their authentication and delivery.

Exhibit A.

(Form of Note)

A. Forms Generally. The Notes, the Certificate of Authentication and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers

Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidence by their execution thereof. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be printed, lithographed or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing such Notes as evidence by their execution thereof, but any temporary Note may be typewritten or photocopied or otherwise reproduced.

B. *Form of Registered Note.*
(Front Side)

REGISTERED
NO.

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION

TENDER NOTE,

SERIES 1986__

Maturity

Date: _____

Redemption Date: _____

Registered Owner:

Principal Amount:

The City of Chicago, Illinois (the "City") hereby acknowledges itself to owe and, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns (hereinafter the "Noteholder"), on the Maturity Date (identified above), unless this Note shall have been previously called for redemption and payment of the redemption price made or provided for, or if purchased on demand of the Noteholder, upon the presentation and surrender hereof as hereinafter set forth, the Principal Amount (stated above) and interest on said Principal Amount from and including the Dated Date (identified above) until payment of said Principal Amount has been made or duly provided for at the rates and on the dates set forth herein. This Note, or a portion hereof, shall be purchased on the demand of the Noteholder as hereinafter described. The principal of this Note is payable at the principal corporate trust office of Irving Trust Company, in New

York, New York, or its successors or assigns, as Paying Agent (the "Paying Agent"). The interest so payable on any Interest Payment Date (as hereinafter defined) will, subject to certain exceptions provided in the Ordinance, be paid to the person in whose name this Note is registered at the close of business on the Record Date (as hereinafter defined) preceding such Interest Payment Date. Interest on this Note is payable by the Paying Agent in the manner provided in the Ordinance.

If an Event of Default (as defined in the Ordinance) has occurred and is continuing and the principal of all the Notes shall have been declared due and payable by Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, or its successors or assigns, as trustee (the "Trustee") and notice thereof mailed to the Noteholders then the principal hereof shall be payable at the principal corporate trust office of the Trustee and the payment of interest hereon shall be made by such Trustee as provided in the Ordinance.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Ordinance and the issuance of this Note, do exist, have happened and have been performed in regular and due form as required by law.

No covenant or agreement contained in this Note or the Ordinance shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the officials of the City, nor any official executing this Note, shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance or sale of this Note.

This Note shall not be entitled to any right or benefit under the Ordinance, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by the execution by the Registrar, or its successor as Registrar, of the certificate of authentication inscribed hereon.

In Witness Whereof, the City of Chicago has caused the seal of that City to be imprinted by facsimile hereon and this Note to be signed by the facsimile signatures of its Mayor and City Comptroller and attested by the facsimile signature of the City Clerk.

[Signature forms omitted for printing purposes.]

(Form of Note - Reverse Side)

1. Authorization. This Note is one of the duly authorized General Obligation Tender Notes, Series 1986, of the City, consisting of Series 1986A, 1986B and 1986C and aggregating Two Hundred Ten Million Five Hundred Thousand Dollars (\$210,500,000) in principal amount (the "Notes"), issued under and pursuant to the Constitution and the City's powers as a home rule unit under Article VII of the Illinois Constitution of 1970, and an ordinance of the City adopted January ____, 1986 (the "Ordinance"), for the purpose of

providing funds to (i) finance current cash flow requirements of the City, (ii) anticipate the receipt of taxes levied for specific purposes by the City for the year 1986 and (iii) finance the acquisition of certain equipment for the City.

2. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Ordinance.

3. Source of Payments. The City has caused to be delivered to the Paying Agent an irrevocable letter of credit (the "Letter of Credit") of The Mitsubishi Bank, Limited New York Branch (the "Bank"), in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns, which Letter of Credit will expire at the close of Bank's business on November 30, 1990. The Paying Agent shall be entitled under the Letter of Credit to draw up to (a) an amount sufficient (i) to pay the principal of the Notes, or (ii) to enable the Paying Agent to pay the purchase price or the portion of the purchase price equal to the principal amount of the Notes delivered to it for purchase or purchased in lieu of redemption and not remarketed, plus (b) an amount equal to sixty-five (65) days' accrued interest on the outstanding Notes (i) to pay interest on the Notes or (ii) to enable the Paying Agent to pay the portion of purchase price of the Notes delivered to it equal to the accrued interest, if any, on such Notes. At any time prior to the close of the Bank's business on November 30, 1990, the City may, upon the conditions specified in the Ordinance, provide for the delivery to the Paying Agent of an irrevocable letter of credit other than the Letter of Credit.

This Note, and the issue of which it is a part, shall be direct and general obligations of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources and each such Note shall be payable from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

4. Interest Rate. Interest on this Note will be paid at a Daily Rate, a Weekly Rate, a Commercial Paper Rate or the Fixed Rate as selected by the City and in certain cases the Remarketing Agent (as hereinafter defined) and as determined in accordance with the Ordinance. While there exists an Event of Default under the Ordinance, the interest rate on the Notes will be the rate six percent (6%) per annum. The City, acting through its Comptroller, or in certain cases, the Remarketing Agent may change the interest rate determination method from time to time. A change in the method will result in redemption of the Notes (see "Redemptions" below).

When interest is payable at a Daily, Weekly or Commercial Paper Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 in leap years), and when payable at a Fixed Rate on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue premium and interest will be payable at the rate of six percent (6%) per annum.

5. Interest Payment and Record Dates. Interest will accrue on the unpaid portion of the principal of this Note from the last date to which interest was paid, or if no interest has been paid, from the date of the original issuance of the Notes until the entire principal amount of this Note is paid. When interest is payable at the rate in the first column below, interest accrued during the period (an "Interest Period") shown in the second column will

be paid on the date (an "Interest Payment Date") in the third column to holders of record on the date (a "Record Date") in the fourth column:

Rate	Interest Period	Interest Payment Date	Record Date
Daily	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Weekly	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Commercial Paper	From 1 to 180 Days as determined for each Note pursuant to the Ordinance ("Commercial Paper Rate Period")	Last Day of applicable Commercial Paper Rate Period	Last Business Day before Interest Payment Date
Fixed	From any Interest Payment Date in such Fixed Rate Period or the first day of such Period through the next succeeding (i) June 30 or December 31 prior to maturity, (ii) December 30, at the time of maturity of Series 1986A Notes or (iii) October 30, at the time of maturity of the Series 1986B Notes or the Series 1986C Notes	Next day	(i) Prior to the maturity of any Series of Notes, the fifteenth day of the month before the payment date (June or December) and (ii) in connection with the maturity date of any Series of Notes, the fifteenth day of the month in which the maturity date occurs

"Business Day" is defined in the Ordinance. Payment of defaulted interest will be made to holders of record on the fifth-to-last Business Day before payment.

6. Method of Payment. Holders must surrender Notes to the Paying Agent or the Remarketing Agent, as the case may be, to collect principal or the purchase price (see "Tenders" below). Interest will be paid on the Interest Payment Date to the registered holder hereof as of the Record Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to such holder's registered address. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the

Noteholder maintained at the Paying Agent. Principal and interest will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfers payable in such money. If any payment on the Notes is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

7. Tenders. "Tender" means to require, or the act of requiring, the Paying Agent to purchase a Note at its holder's option under the provisions of this Section 7 at 100% of the principal amount plus interest accrued to the date of purchase.

Daily Rate Tender. When interest on the Notes is payable at a Daily Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (see addresses below) by 10:30 A.M., New York City time, on a Business Day, stating the principal amount and Series of the Note and the date (which may be the date the notice is delivered) the Note is to be purchased, and

(b) the Note to the Remarketing Agent (address below) by 12:00 noon, New York City time, on the date of purchase (see additional requirements below).

Weekly Rate Tender. When interest on the Notes is payable at a Weekly Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (addresses below) on a Business Day stating the principal amount and Series of the Note and the date, which must be a Business Day at least seven days after the notice is delivered, on which the Note is to be purchased, and

(b) the Note to the Paying Agent by 10:00 A.M., New York City time, on the date of purchase (see additional requirements below).

Payment of Purchase Price. The purchase price for a Note tendered to the Paying Agent will be paid in immediately available funds by the close of business on the date of purchase.

Delivery Addresses; Additional Delivery Requirements. Notices in respect of tenders and Notes tendered must be delivered as follows:

Notices to
Remarketing Agent

Salomon Brothers, Incorporated
One New York Plaza
New York, New York 10004-2079
Attn: Municipal Trading
Department
Telephone: 212-747-7250
Telex: 222428 SALBRO UR

Notes and Notices
to Paying Agent

Irving Trust Company
101 Barclay Street

New York, New York 10015
Attn: Corporate Trust
Operations

Notes to
Remarketing Agent

Salomon Brothers, Incorporated
55 Water Street, 29th Floor
New York, New York 10041-0101
Attn: Municipal Cashiering

These addresses may be changed by notice mailed by first class mail to the Noteholders at their registered addresses. All tendered Notes must be accompanied by an instrument of transfer satisfactory to the Paying Agent or Remarketing Agent, executed in blank by the registered owner with the signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange.

No Tenders During Default. No Notes may be tendered during the existence of an Event of Default if the Trustee has notified the Paying Agent that it has given notice by Mail to the Noteholders of a declaration that all the Notes are due and payable.

8. Redemptions. As provided below, the City has the right to purchase Notes in lieu of certain redemptions. By Acceptance Of This Note, The Owner Agrees To Sell And Surrender This Note, Properly Endorsed, To The City In Lieu Of Redemption Under The Conditions Described Below. All redemptions and purchases in lieu of redemption will be made in funds immediately available on the redemption or purchase date and will be at a redemption or purchase price of 100% of the principal amount of the Notes being redeemed or purchased plus interest accrued to the redemption or purchase date, except that interest accruing at a Daily or Weekly Rate will be paid on the Interest Payment Date following the redemption or purchase date. Notes tendered for purchase on a date after a call for redemption but before the redemption date will be purchased pursuant to the tender. No purchase of Notes by the City or advance use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Notes or of any portion thereof and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Notes.

Optional Redemption During Daily, Weekly or Commercial Paper Rate Period. When interest on the Notes is payable at a Daily or Weekly Rate, the Notes may be redeemed in whole at the option of the City on the first day of each month. The Notes are not subject to optional redemption during any Commercial Paper Rate Period but are subject to mandatory redemption during any such Period as provided in the second succeeding paragraph.

Mandatory Redemption at Beginning of Fixed Rate Period. When the Notes are to bear interest at a Fixed Rate, the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of the Fixed Rate. Noteholders may waive this redemption as provided below.

Mandatory Redemption on Each Interest Payment Date During Commercial Paper Rate Period. When Notes bear interest at a Commercial Paper Rate, each Note will be redeemed or purchased by the City in lieu of redemption on the Interest Payment Date of

such Note. If Notes are scheduled to be redeemed under the following paragraph, the Notes will be called under, and redemption will be governed by, that paragraph and not this paragraph. Noteholders may waive this provision as provided below.

Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes. On the effective date of the change in the method of determining the interest rate on the Notes (the four methods being Daily, Weekly, Commercial Paper or Fixed Rates) the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of such change. Owners of Notes may waive this redemption as provided below.

Waiver of Redemption. To waive redemption pursuant to one of the foregoing three paragraphs, Noteholders must deliver the Notes with respect to which such waiver is made to the Paying Agent at its address under "Tenders" above by the sixth-to-last Business Day before the redemption date (or on the first Business Day of any Commercial Paper Period which is shorter than six Business Days) accompanied by an instrument executed by the owner (1) directing the City and the Paying Agent not to redeem such Notes (or the portion thereof specified therein), (2) agreeing not to sell such Notes or portion thereof prior to the redemption date, (3) agreeing not to exercise any tender applicable to such Notes prior to the redemption date, (4) acknowledging that such waiver is irrevocable and (5) when applicable, acknowledging that a current right to tender the Notes will not be available after the redemption date.

If the Notes are being redeemed due to a change in the method of determining interest to a Commercial Paper Rate,

(1) the waiver must also direct the City and the Paying Agent not to redeem such Notes for any subsequent Commercial Paper Rate Period established between the date of such waiver and the effective date of the change, and

(2) if the Remarketing Agent notifies the Paying Agent that the Notes are to be sold on the condition that the Noteholder designates an agent to hold such Notes on the owner's behalf for as long as the Notes bear interest at a Commercial Paper Rate, then the waiver must contain a direction by the Noteholder to deliver such Notes to such agent on the effective date of the change.

Any waiver of redemption shall be irrevocable and any right to tender such Note shall not be exercisable by the owner once the waiver has been given. A waiver shall bind any subsequent owner of such Note or any Note delivered in substitution therefor. Also the failure by the owner timely to waive any redemption shall be binding on any subsequent owner of such Note or any Note delivered in substitution therefor.

Notwithstanding the foregoing, no waiver may be made with respect to any Note if the City has directed (or the Ordinance requires) that such Note be redeemed and cancelled.

Any Note received by the Paying Agent pursuant to a waiver shall be held in safekeeping for its owner and shall be returned to such owner (or his agent) on the redemption date.

Scheduled Mandatory Redemption of Series 1986C Notes. Series 1986C Notes in the amount of \$7,500,000 are subject to mandatory redemption on October 31, 1989 as provided in the Ordinance, the particular Notes and \$100,000 or \$5,000, as the case may be, units of Notes to be selected by the Registrar.

Optional Redemption During Fixed Rate Period. When the interest on the Notes is payable at a Fixed Rate, the Notes may be redeemed at the option of the City on any Interest Payment Date in whole at the principal amount thereof plus accrued interest to such date of redemption.

Mandatory Redemption for Failure to Reinstate the Letter of Credit or for an Event of Default under the Reimbursement Agreement. All Notes shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement.

Notice of Redemption. At least 30 days before each redemption except "Mandatory Redemption on Each Interest Payment Date During Commercial Rate Period" or "Mandatory Redemption for Failure to Reinstate the Letter of Credit or for an Event of Default under the Reimbursement Agreement" described in Section 8 hereof, the Trustee will mail a notice of redemption by Mail to each Noteholder at the holder's registered address. Failure to give any required notice of redemption as to any particular Notes will not affect the validity of the call for redemption of any Notes in respect of which no failure occurs. Any notice mailed as provided in this paragraph will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Notice of Redemption. When notice of redemption is required and given, and when Notes are to be redeemed without notice, Notes called for redemption become due and payable on the redemption date at the applicable redemption price, subject to the City's right to purchase Notes as provided above; in such case when funds are deposited with the Paying Agent sufficient for redemption or for purchase, interest on the Notes to be redeemed or purchased ceases to accrue as of the date of redemption or purchase.

9. Denominations; Transfer; Exchange. The Notes are in registered form without coupons in denominations of \$100,000 or any integral multiple of \$100,000, except that when interest is payable at a Fixed Rate Notes may be in denominations of \$5,000 or integral multiples of \$5,000. A holder may transfer or exchange Notes in accordance with the Ordinance. The Paying Agent may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Ordinance. During any Fixed Rate Period, the Paying Agent need not transfer or exchange any Note for the period beginning 15 days before mailing a notice of redemption of such Note and ending on the redemption date. However, after Notes have been called pursuant to the paragraph captioned "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes", such called Notes or portions of Notes may be exchanged for Notes in denominations of \$100,000 or multiples thereof at any time up to the redemption date.

10. Persons Deemed Owners. The registered holder of this Note may be treated as the owner of it for all purposes.

11. Unclaimed Money. If money for the payment of principal, interest or purchase price remains unclaimed for two years, the Paying Agent will pay the money to or for the account of the City. After that, the holders entitled to the money must look only to the City and not to the Paying Agent or the Issuer of the Letter of Credit for payment unless an abandoned property law designates another person.

12. Amendment and Supplement, Waiver. Subject to certain exceptions, the Ordinance may be amended or supplemented, with the consent of the holders of 60% in aggregate principal amount of the Notes. Without the consent of any Noteholder, the City may amend or supplement the Ordinance as described in the Ordinance, to cure any ambiguity, omission, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, or to make any change that does not materially adversely affect the rights of any Noteholder.

13. Defaults and Remedies. The Ordinance provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee, may, and at the written request of the holders of at least 25% in principal amount of the Notes, shall declare the principal of all the Notes to be due and payable immediately. An Event of Default and its consequences may be waived as provided in the Ordinance. Noteholders may not enforce the Ordinance or the Notes except as provided in the Ordinance. The Trustee may refuse to enforce the Ordinance or the Notes unless it receives indemnity satisfactory to it. Subject to certain limitations, holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power.

14. No Recourse Against Others. A member, director, officer or employee, as such, of the City shall not have any liability for any obligations of the City under the Notes or the Ordinance or for any claim based on such obligations or their creation. Each Noteholder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Note.

15. Authentication. This Note shall not be valid until the Registrar signs the certificate of authentication on the other side of this Note.

16. Abbreviations. Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

[FORM OF ASSIGNMENT]

I or we assign and transfer to

2/4/86

UNFINISHED BUSINESS

26943

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee)

this Note and irrevocably appoint _____
_____ agent to transfer this Note on the
books of the City. The agent may substitute another to act for him.

Dated: _____

Signed _____
(Sign exactly as name appears on the other side of this Note)

Signature guaranteed: _____

[FORM OF SCHEDULE TO BE ATTACHED TO NOTES WHEN
NOTES BEAR INTEREST AT COMMERCIAL PAPER RATE]

COMMERCIAL PAPER RATES AND PERIODS

Beginning of Commercial Rate Period	End of Commercial Paper Rate Period (Mandatory Redemption Date)	Current Commercial Paper Rate	Signature of Paying Agent
_____:	_____:	_____:	_____
_____:	_____:	_____:	_____
_____:	_____:	_____:	_____

APPOINTMENT OF MR. CANNUTTE RUSSELL AS MEMBER
OF BOARD OF DIRECTORS OF CHICAGO PUBLIC
LIBRARY APPROVED.

On motion of Alderman Kelley, the City Council took up for consideration the report of the Committee on Municipal Institutions deferred and published in the Journal of the Proceedings of April 13, 1984, page 6075, recommending that the City Council approve the appointment of Mr. Cannutte Russell as a member of the board of directors of the Chicago Public Library.

Alderman Kelley moved to *Concur In* the committee's recommendation.

The motion *Prevailed* and the said proposed appointment of Mr. Cannutte Russell was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 44.

Nays -- None.

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

MISCELLANEOUS BUSINESS.

PRESENCE OF VISITORS NOTED.

Honorable Harold Washington, Mayor, called the Council's attention to the presence of the following visitors.

Dr. Pedro E. Tula Del Moral, the Vice-President of the City Council in Granite, Argentina.

Time Fixed for Next Succeeding Regular Meeting.

By unanimous consent, Alderman Burke thereupon presented a proposed ordinance which reads as follows:

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

SECTION 1. That the next succeeding regular meeting of the City Council of the City of Chicago to be held after the regular meeting held on Tuesday, the fourth (4th) day of February, 1986, at 10:00 A.M., be and the same is hereby fixed to be held on Thursday, the thirteenth (13th) day of February, 1986, 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 Burke, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Thursday, February 13, 1986, at 10:00 A.M. in the Council Chamber in City Hall.



WALTER S. KOZUBOWSKI,

City Clerk.