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MORTGAGE

THE MORTGAGOR, the City of Chicago, an Illinois Home Rule municipality located in County of Cook and State of Illinois, mortgages to Ross, Harris & Cole, an Illinois partnership, its successors and assigns ("Mortgagee"), the real estate described in Exhibit A which is attached and hereby incorporated, to secure the performance of all obligations and covenants under the Installment Purchase Agreement ("Agreement") between Mortgagor and Mortgagee, dated as of May 1, 1991, a copy of which is attached as Exhibit B and hereby incorporated, including the payment of an indebtedness, which shall be payable in accordance with the Agreement, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Agreement and this Mortgage.

Mortgagor hereby waives, to the extent authorized by law, any and all homestead rights.

DATED THIS 25TH DAY OF JUNE, 1991.

CITY OF CHICAGO

By: Walter K. Knorr
Walter K. Knorr
Comptroller

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DEPT-701 RECORDING \$99.00
TRAM 3062 06/27/91 10:18:00
#497 # B *-91-314656
COOK COUNTY RECORDER

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

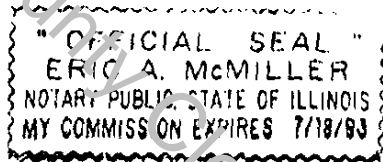
I, Eric A. McMiller, a Notary Public in and for said County, in the State aforesaid DO HEREBY CERTIFY that WALTER K. KNORR personally known to me to be the Comptroller of the City of Chicago and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, and the free and voluntary act of the City, for the purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 24 day of June, 1991.

Eric A. McMiller
Notary Public

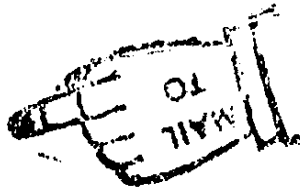
My Commission Expires:

7/18/93



Prepared by and Return to:
John D. McDonough
Assistant Corporation Counsel
Real Estate & Land Use Division
121 North LaSalle Street
Room 511, City Hall
Chicago, Illinois 60602
(312) 744-9827

Handwritten initials in a circle.



PLEASE RETURN TO
CHARLES R. HUG
CARLSON AND HUG
135 SOUTH LA SALLE ST.
SUITE 1400 60603
CHICAGO, ILL. 60605

Notary Clerk's Office

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PARCEL 1

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THAT PART OF BLOCK 1 IN ILLINOIS STEEL COMPANY'S NORTH WORKS ADDITION TO CHICAGO, ALSO ALL THAT PART OF VACATED MCHENRY STREET TOGETHER WITH ALL THAT PART OF VACATED REDFIELD STREET TOGETHER WITH THAT PART OF THE 14.4 FOOT VACATED ALLEY PER DOCUMENT NO. 6845871 RECORDED JUNE 4, 1920, ALSO LOTS 27 AND 51 IN CHICAGO LAND COMPANY'S SUBDIVISION OF BLOCKS 17, 18 AND 20 IN SHEFFIELD'S ADDITION TO CHICAGO, IN THE SOUTH 1/2 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL TAKEN AS A TRACT, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF WEST WILLOW STREET WITH THE WESTERLY LINE OF BLOCK 1 AFORESAID; THENCE NORTH 62 DEGREES 31 MINUTES 52 SECONDS EAST, ALONG SAID NORTHERLY LINE, 46.45 FEET TO THE HEREINAFTER DESIGNATED POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT; THENCE CONTINUING NORTH 62 DEGREES 31 MINUTES 52 SECONDS EAST, ALONG SAID NORTHERLY LINE, 0.06 FEET TO THE POINT OF INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE SOUTHWESTERLY LINE OF SAID LOT 27; THENCE SOUTH 27 DEGREES 51 MINUTES 09 SECONDS EAST, ALONG SAID NORTHWESTERLY EXTENSION AND THE SOUTHWESTERLY LINES OF LOTS 27 AND 51 AFORESAID, 290.41 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 51; THENCE NORTH 62 DEGREES 34 MINUTES 17 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID LOT 51 AND ITS NORTHEASTERLY EXTENSION, BEING ALSO THE NORTHERLY LINE OF WEST WABANSIA AVENUE, 121.12 FEET TO THE POINT OF INTERSECTION WITH THE NORTHEASTERLY LINE OF NORTH THROOP STREET, BEING ALSO THE SOUTHWESTERLY LINE OF BLOCK 1 AFORESAID; THENCE SOUTH 27 DEGREES 50 MINUTES 59 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 657.25 FEET TO THE BEND POINT IN THE EASTERLY LINE OF SAID NORTH THROOP STREET; THENCE SOUTH 0 DEGREES 10 MINUTES 13 SECONDS EAST, ALONG THE EAST LINE OF NORTH THROOP STREET, BEING ALSO THE WEST LINE OF BLOCK 1 AFORESAID, 5.40 FEET TO A POINT 290.10 FEET NORTH OF THE SOUTH WEST CORNER OF BLOCK 1 AFORESAID; THENCE NORTH 62 DEGREES 38 MINUTES 53 SECONDS EAST 437.59 FEET; THENCE NORTH 27 DEGREES 24 MINUTES 30 SECONDS WEST, 9.65 FEET; THENCE NORTH 62 DEGREES 35 MINUTES 30 SECONDS EAST, 13.68 FEET; THENCE NORTH 27 DEGREES 25 MINUTES 36 SECONDS WEST, 110.00 FEET; THENCE NORTH 18 DEGREES 19 MINUTES 37 SECONDS EAST, 324.53 FEET TO A POINT ON THE WESTERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE NORTHERLY AND WESTERLY ALONG SAID DOCK LINE, TO A POINT ON A LINE 80.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF WEST WILLOW STREET AND ITS NORTHEASTERLY EXTENSION AFORESAID; THENCE SOUTH 62 DEGREES 31 MINUTES 52 SECONDS WEST, ALONG SAID PARALLEL LINE, 559.08 FEET TO A POINT ON A LINE 46.45 FEET NORTHEASTERLY OF AND PARALLEL WITH THE WESTERLY LINE OF SAID BLOCK 1; THENCE SOUTH 27 DEGREES 50 MINUTES 59 SECONDS EAST, ALONG THE AFORESAID PARALLEL LINE, 80.00 FEET TO THE HEREINAFTER DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

SUB-PARCEL 2"A":

THE NORTHERLY 1/2 OF LOT 43 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO, IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"B":

THE SOUTHERLY 1/2 OF LOT 43 AND ALL OF LOTS 44, 45, 46, 47, 48, 49, 50, 53, 54, 55 AND 56 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND

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BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"C":

ALL OF THE NORTHWESTERLY - SOUTHEASTERLY 18 FOOT VACATED ALLEY TOGETHER WITH ALL OF THE NORTHEASTERLY - SOUTHWESTERLY 16 FOOT VACATED ALLEY LYING NORTHWESTERLY OF THE NORTHWESTERLY LINES OF LOTS 51 TO 56, BOTH INCLUSIVE, LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF LOTS 49 AND 50, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF LOTS 44, 45, 48 AND 49 AND LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF LOTS 43, 46, 47 AND 50 (EXCEPTING THEREFROM THAT PART OF THE SOUTHEASTERLY 1/2 OF SAID 16 FOOT ALLEY LYING NORTHERLY OF AND ADJOINING LOT 51) IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"D":

LOTS 1 AND 2 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"E":

LOTS 3, 4, 5 AND 6 IN SUB-BLOCK 3 IN BLOCK 18 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART OF SAID LOTS 3 AND 4 DESCRIBED AS FOLLOWS:

A STRIP OF LAND 20 FEET IN WIDTH BEING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE: COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID LOTS 3 AND 4, 51.32 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 3; THENCE EASTERLY ALONG A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 543.56 FEET A DISTANCE OF 53.98 FEET TO A POINT ON THE EAST STREET LINE OF LOT 3, 16.39 FEET SOUTH OF THE NORTH EAST CORNER THEREOF BEING THE TERMINUS OF THE CENTER LINE HEREIN DESCRIBED IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"F":

A STRIP OF LAND 20 FEET IN WIDTH BEING 10 ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE: COMMENCING AT A POINT ON THE NORTHERLY LINE OF LOTS 3 AND 4, 51.32 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 3; THENCE EASTERLY ALONG A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 543.56 FEET A DISTANCE OF 53.98 FEET TO A POINT ON THE EAST STREET LINE OF LOT 3, 16.39 FEET SOUTH OF THE NORTH EAST CORNER THEREOF BEING THE TERMINUS OF THE CENTER LINE HEREIN DESCRIBED IN SUB-BLOCK 3 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

P.I.N. 14-32-310-003
14-32-311-007
14-32-317-014

Address: 1685 North Throop Street
Chicago, Illinois

14-32-310-003

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INSTALLMENT PURCHASE AGREEMENT

BETWEEN

ROSS, HARRIS & COLE

and

CITY OF CHICAGO

DATED AS OF MAY 1, 1991

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INDEX

	<u>Page</u>
PREAMBLE	
ARTICLE I <u>DEFINITIONS</u>	2
ARTICLE II <u>REPRESENTATIONS, COVENANTS AND WARRANTIES</u>	
Section 2.1 Representations and Covenants by the Buyer.....	3
Section 2.2 Warranties by the Seller.....	5
ARTICLE III <u>ENVIRONMENTAL COVENANTS</u>	
Section 3.1 Environmental Covenants.....	5
ARTICLE IV <u>SALE OF PROPERTY</u>	
Section 4.1 Sale of Property.....	5
Section 4.2 Improvements on Property.....	6
ARTICLE V <u>TERM</u>	
Section 5.1 Commencement of Term.....	6
Section 5.2 Termination of Term.....	6
ARTICLE VI <u>ENJOYMENT OF PROPERTY</u>	
Section 6.1 Enjoyment of Property.....	7
ARTICLE VII <u>INSTALLMENT PAYMENTS</u>	
Section 7.1 Payment of Installment Payments	7
Section 7.2 Interest Component; Interest on Overdue Payments.....	7
Section 7.3 Installment Payments.....	7
Section 7.4 Nonappropriation and Nonsubstitution.....	8
Section 7.5 Defeasance.....	8
ARTICLE VIII <u>TITLE TO PROPERTY</u>	
Section 8.1 Title to the Property.....	9
Section 8.2 Mortgage.....	9
ARTICLE IX <u>USE; MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES</u>	
Section 9.1 Use of Property by Buyer.....	9
Section 9.2 Maintenance of Property by the Buyer.....	10
Section 9.3 Modification or Alteration of Property.....	10
Section 9.4 Taxes, Other Governmental Charges and Utility Charges.....	11
Section 9.5 Provisions Regarding Insurance.....	11
Section 9.6 Advances.....	12

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ARTICLE X	<u>DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS</u>	
Section 10.1	Damage and Destruction.....	12
ARTICLE XI	<u>DISCLAIMER OF WARRANTIES; WARRANTIES; USE OF THE PROPERTY</u>	
Section 11.1	Disclaimer of Warranties.....	13
Section 11.2	Warranties.....	14
ARTICLE XII	<u>ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING</u>	
Section 12.1	Assignment of Seller.....	14
Section 12.2	Conveyance, Assignment and Subleasing by the Buyer.....	15
Section 12.3	Covenants.....	15
ARTICLE XIII	<u>EVENTS OF DEFAULT AND REMEDIES</u>	
Section 13.1	Events of Default Defined.....	16
Section 13.2	Remedies on Default.....	17
Section 13.3	No Remedy Exclusive.....	17
ARTICLE XIV	<u>MISCELLANEOUS</u>	
Section 14.1	Notices.....	18
Section 14.2	Binding Effect.....	18
Section 14.3	Severability.....	18
Section 14.4	Amendments, Changes, and Modifications..	19
Section 14.5	Execution in Counterparts.....	19
Section 14.6	Delivery of Related Documents.....	19
Section 14.7	Applicable Law.....	19
Section 14.8	Captions.....	19
Section 14.9	Entire Agreement; Waiver.....	19
Section 14.10	Termination.....	20
ARTICLE XV	<u>CERTIFICATIONS</u>	
Section 15.1	Certifications of the Buyer.....	20
Section 15.2	Certifications of the Seller.....	26
Section 15.3	Certification of Comptroller.....	28
EXHIBITS		
Exhibit A	Description of Property	
Exhibit B	Mortgage	
Exhibit C	IRS Form 8038-G	
Exhibit D	Opinion of Counsel to the Buyer	
Exhibit E	Payment Schedule	
Exhibit F	Ordinance, as amended	
Exhibit G	Arbitrage Regulation Agreement	

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Exhibit H	Certificate of Comptroller
Exhibit I	1989 Audited Financial Statements of the Buyer
Exhibit J	Anti-Apartheid Affidavit
Exhibit K	Opinion of Counsel to the Seller
Exhibit L	Opinion of Special Counsel

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INSTALLMENT PURCHASE AGREEMENT

This Installment Purchase Agreement, dated as of May 1, 1991 by and between ROSS, HARRIS & COLE, an Illinois general partnership ("Seller"), also referred to as the "Lender" in the hereinafter defined Ordinance, and the CITY OF CHICAGO, a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois (the "Buyer"),

W I T N E S S E T H :

WHEREAS, the Buyer entered into a Real Estate Sale Contract dated as of May 12, 1988 (the "Real Estate Sale Contract") with American National Bank and Trust Company of Chicago, as trustee under Trust Agreement dated August 10, 1988 and known as Trust Number 106192 ("American") relating to the real estate located at 1685 North Throop Street, Chicago, Illinois and legally described in Exhibit A hereto (the "Property"); and

WHEREAS, the Real Estate Sale Contract required that the Buyer purchase the Property from American on or prior to February 1, 1991; and

WHEREAS, the Buyer purchased the Property from American on January 31, 1991; and

WHEREAS, the Buyer now desires to sell the Property to the Seller; and

WHEREAS, upon such acquisition the Seller desires to sell the Property to the Buyer and the Buyer desires to buy the Property from the Seller, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the Buyer is authorized under the Constitution and laws of the State of Illinois to enter into this Agreement for the purposes set forth herein and this Agreement pertains to the government and affairs of the Buyer; and

WHEREAS, pursuant to an Ordinance adopted by the City Council of the Buyer on April 6, 1990, as amended by an Ordinance adopted by the City Council of the Buyer on April 12, 1991 (collectively, the "Ordinance"), the Buyer is authorized to borrow an amount not to exceed Twenty-three million five hundred thousand Dollars (\$23,500,000) for the purpose of acquiring and equipping the Property and expenses related thereto bearing interest in an amount not to exceed 9.25% and for a term of not to exceed twenty (20) years; and

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WHEREAS, the term hereof shall be twenty (20) years and the interest rate hereof shall be eight and eighty-five hundredths percent (8.85%) per annum; and

WHEREAS, the Seller may assign its interest herein and the assignees may receive a different interest rate on their investment;

NOW, THEREFORE, for and in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 - Definitions - Unless the context or use indicates another meaning or intent, the following words and terms, as used in this Agreement, shall have the following meanings.

"Agreement" means this Installment Purchase Agreement, dated as of May 1, 1991, whereby the Seller and the Buyer agree on the terms and conditions of the sale and purchase of the Property.

"All Unpaid Principal Installments" means, as of any date, an amount which is invested on such date in non-callable Government Obligations maturing on such dates and bearing interest at such rates as will provide, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, sufficient amounts for the payment at their respective maturities when due of all unpaid Installment Payments.

"Arbitrage Regulation Agreement" means the Arbitrage Regulation Agreement dated as of May 1, 1991 between the Buyer and The First National Bank of Chicago, as Trustee.

"Buyer" means the City of Chicago, a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois.

"Closing Date" means the date on which title to the Property is conveyed by the Buyer to the Seller and thereupon by the Seller to the Buyer pursuant to this Agreement and which shall occur no later than July 1, 1991.

"Code" means the Internal Revenue Code of 1986, as amended.

"Government Obligations" means the direct obligations of, or obligations the principal and interest on which are

MESSAGES

unconditionally guaranteed by the United States of America for full and timely payment.

"Installment Payments" means the installment payments payable by the Buyer pursuant to the provisions of Section 7.1 of this Agreement as specified in Exhibit E.

"Mortgage" means the mortgage from the Buyer to the Seller, a copy of which is attached hereto as Exhibit B.

"Net Proceeds" means the definition as set forth in Section 10.1 hereof.

"Property" means the property described in Exhibit A hereto, commonly known as 1685 North Throop Street, Chicago, Illinois, including all improvements thereon, required herein to be sold by the Seller to the Buyer pursuant to this Agreement.

"Seller" means Ross, Harris & Cole, an Illinois general partnership, and its successors and assigns, also referred to as the "Lender" in the Ordinance.

"Term" means the Term provided for in this Agreement, as set forth in Article V herein.

"Termination Date" means the termination of the Term as set forth in Section 5.2 hereof.

SECTION 1.2 The words "hereof", "herein", "hereunder", and other words of similar import refer to this Agreement as a whole.

SECTION 1.3 References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement.

SECTION 1.4 The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 - Representations and Covenants by the Buyer.

The Buyer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

- (a) The Buyer is a municipal corporation, duly organized and existing under the laws of the State of Illinois, and by proper action of its governing body under the terms and provisions of the Ordinance is authorized and empowered to enter into the transactions contemplated by

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this Agreement and to carry out its obligations hereunder. This Agreement is a legal, valid, and binding obligation of the Buyer.

(b) Neither the execution and delivery of this Agreement and the Mortgage, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement and the Mortgage, conflicts in a material respect with or results in a material breach of the Buyer's contractual obligations to which the Buyer is currently bound.

(c) The Buyer has complied with all applicable laws and regulations that relate to its entering into this Agreement and the Mortgage as of the date hereof and covenants that it, to the extent within its powers, will comply with all applicable laws and regulations that are conditions precedent in carrying out their terms.

(d) The Buyer covenants and agrees that it shall execute and deliver the proposed IRS Form 8038-G for this financing substantially in the form attached hereto as Exhibit C.

(e) The Buyer covenants and agrees that:

(1) None of the proceeds of this Agreement shall be used directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit.

(2) No direct or indirect payments shall be made from the proceeds of this Agreement to any private business use by any person other than a state or local governmental unit.

(3) None of the proceeds of this Agreement shall be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(f) The Buyer agrees to comply with all representations, covenants and assurances contained in this Agreement and in certificates or agreements attached as Exhibits hereto, executed by the Buyer, as may be prepared by counsel approving this Agreement relating to the status of interest paid and received on this Agreement being not includible in the gross income of the owners thereof under the Code and to consult with nationally recognized bond counsel at any time that it is reasonably necessary and to comply with such advice as may be given in order to comply with all provisions of the Code which, if not complied with by the Buyer, would cause the interest on this Agreement to be included in the gross income of the owners thereof.

(g) Buyer's obligations hereunder are not guaranteed by the United States of America or any agency or instrumentality thereof.

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SECTION 2.2 - Warranties by the Seller.

(a) The Seller makes no warranty, either express or implied, as to the actual or designed capacity of the Property, as to the condition of the Property, or that the Property will be suitable for the Buyer's purposes or needs.

(b) Notwithstanding the foregoing, the Seller warrants to the Buyer that the real estate title to the Property is free and clear except for exceptions existing at the time of acquisition of the Property by the Buyer from American pursuant to the Real Estate Sale Contract and any exceptions created by the use of the Property by the Buyer.

(c) The Seller represents and covenants that there shall not be any violations of any applicable state or federal securities laws by the Seller in the sale of any certificates of participation in regard to this Agreement and that the Seller shall not take any action or fail to take any action which results in a violation of the Code with regard to the interest on this Agreement.

The Buyer recognizes that the foregoing warranties are binding only on Ross, Harris & Cole, as Seller, and not on any assignee of the Seller or any other person and that the obligations of the Buyer hereunder shall not be impaired, affected, diminished or limited in any way by any breach or violation of any of the foregoing warranties.

ARTICLE III

ENVIRONMENTAL COVENANTS

SECTION 3.1 - Environmental Covenants.

Upon the Closing Date, both Buyer and Seller shall have complied with all applicable environmental laws and regulations, including, but not limited to, the Illinois Responsible Property Transfer Act. Also, the Buyer represents and covenants that it will not violate any applicable environmental laws, ordinances or regulations.

ARTICLE IV

SALE OF PROPERTY

SECTION 4.1 - Sale of Property.

(a) The Buyer agrees to sell to the Seller and the Seller hereby agrees to purchase from the Buyer, the Property at and for a purchase price equal to Twenty-three million ninety-five thousand one hundred fifty-five and 37/100 Dollars (\$23,095,155.37), payable in full to the Buyer on the Closing Date. The Buyer agrees to convey title to the Property to the Seller on the Closing Date.

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(b) Upon acquisition of the Property by the Seller pursuant to Section 4.1(a) hereof, the Seller hereby agrees to sell to the Buyer, and the Buyer hereby agrees to purchase from the Seller, the Property at a purchase price equal to Twenty-three million ninety-five thousand one hundred fifty-five and 37/100 Dollars (\$23,095,155.37) in accordance with the provisions of this Agreement. The Seller agrees to convey title to the Property to the Buyer on the Closing Date. The Buyer shall be entitled to continue in possession of the Property upon the conveyance in accordance with the terms herein, and may retain possession of the Property as long as this Agreement has not been terminated.

SECTION 4.2 - Improvements on Property.

As part of the purchase price provided for in Section 4.1(a) hereof, the Seller agrees to pay to the Buyer upon the Closing Date and the Buyer agrees to expend the amount of Five million Dollars (\$5,000,000.00) for improvements to the Property. The nature and type of said improvements shall be determined by the Comptroller of the Buyer, provided said improvements shall be limited to real property including personal property which constitutes fixtures. The Buyer covenants that it will use said amount as soon as practicable and with all reasonable dispatch for the aforesaid purpose.

ARTICLE V

TERM

SECTION 5.1 - Commencement of Term.

This Agreement shall be effective upon the execution hereof by the Seller and the Buyer and the Term shall commence upon the Closing Date and shall terminate on the Termination Date.

SECTION 5.2 - Termination Date.

The Term will terminate upon the earliest of any of the following events:

(a) on the date the final Installment Payment is made pursuant to Section 7.3 hereof or provided for pursuant to Section 7.5 hereof.

(b) the expiration of the last fiscal year of the Buyer for which sufficient funds to pay the Installment Payments shall have been appropriated after the exercise by the Buyer of a nonappropriation pursuant to the provisions of Section 7.4 of this Agreement; or

(c) a default by the Buyer and the Seller's election to terminate this Agreement under Article XIII.

ENJOYMENT OF PROPERTY

SECTION 6.1 - Enjoyment of Property.

The Buyer shall, during the Term, peaceably and quietly have and hold and enjoy the Property, without suit, trouble, or hindrance from the Seller.

ARTICLE VII

INSTALLMENT PAYMENTS

SECTION 7.1 - Payments of Installment Payments.

The Buyer shall pay the Installment Payments exclusively from legally available funds in lawful money of the United States of America to the Seller, or, if Seller's rights under this Agreement shall have been assigned, then to the assignee. If there is more than one assignee, from time to time, the Seller shall designate one assignee to receive the Installment Payments and payment by the Buyer of the Installment Payments to the designated assignee shall be conclusive. The Installment Payments shall consist of two hundred forty (240) consecutive monthly payments of principal and interest in the aggregate amount of \$205,625 per month commencing on the date one (1) month after the Closing Date and continuing with two hundred thirty-nine (239) consecutive monthly payments due on the same day as the Closing Date of each month thereafter.

SECTION 7.2 - Interest Component; Interest on Overdue Payments.

A portion of each Installment Payment is paid as and represents payment of interest as provided on Exhibit E attached hereto. Any Installment Payment not paid when due shall bear interest from the date due until paid at a rate equal to the lesser of (i) nine and one-quarter percent (9-1/4%) per annum or (ii) the weighted average interest rate per annum borne by outstanding certificates of participation, if any, issued following an assignment of this Agreement permitted by Section 12.1 hereof.

SECTION 7.3 - Installment Payments.

Subject to Section 7.4 hereof, the obligations of the Buyer to make the Installment Payments shall be absolute and unconditional and shall not be subject to diminution by set off, counterclaim, abatement or otherwise due to any matter including, but not limited to, damage to or destruction of the Property or any part thereof; and until such time as the Installment Payments shall have been made, the Buyer: (i) will not suspend or discontinue, or permit the suspension or discontinuance of the Installment Payments; (ii) will perform and observe all of its other agreements contained in this Agreement; and (iii) will not

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terminate this Agreement for any cause including without limitation therefor, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Property, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Illinois or any political subdivision of either.

There shall be no abatement or reduction of Installment Payments for any reason nor shall the Buyer assert any right of setoff or counterclaim against its obligation to make Installment Payments required under this Agreement.

SECTION 7.4 - Nonappropriation and Nonsubstitution.

The appropriate officials of the Buyer will include in their annual budget requests an appropriation sufficient to meet the Buyer's obligations under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, in the event the City Council of the Buyer fails to adopt an ordinance appropriating sufficient funds to pay the annual Installment Payments due under this Agreement in any year during the Term then, upon the expiration of the last fiscal year for which sufficient funds for such Installment Payments shall have been appropriated, this Agreement shall terminate without penalty or expense to Buyer of any kind whatsoever. The Comptroller of the Buyer will immediately notify Seller of such occurrence by written notice specifying such nonappropriation. In the event of such termination, Buyer agrees to peaceably surrender possession of the Property to Seller on the date of such termination and Buyer shall convey title to the Property to the Seller. This paragraph will not be construed so as to permit Buyer to terminate this Agreement by nonappropriation in order to acquire any other property or to allocate funds directly or indirectly to perform essentially the same operation for which the Property is intended and the Buyer covenants that it will not appropriate funds for the acquisition or operation of any other real estate functionally similar to the Property in the event of such nonappropriation.

SECTION 7.5 - Defeasance.

The Installment Payments may be defeased at any time by the Buyer by making an irrevocable deposit of All Unpaid Principal Installments (as defined in Section 1.1 hereof, with the Government Obligations referred to in said definition to be invested to produce a yield not in excess of the yield permitted by the Code) with a trustee. Upon making such a deposit the Buyer's obligation to make Installment Payments pursuant to this Agreement shall terminate and the Seller shall release the Mortgage and any other documents securing this Agreement.

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ARTICLE VIII

TITLE TO PROPERTY

SECTION 8.1 - Title to the Property.

The parties hereto agree that on the Closing Date title to the Property and any and all additions, repairs, replacements, or modifications will be conveyed by the Buyer to the Seller pursuant to Section 4.1(a) hereof and thereupon by the Seller to the Buyer pursuant to Section 4.1(b) hereof. In the event that a nonappropriation described in Section 7.4 hereof occurs, the Buyer shall convey the Property to the Seller pursuant to said Section 7.4.

The Buyer shall not directly or indirectly create, incur or suffer to exist any mortgage (except for the Mortgage), pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Property or any modifications or alterations thereto without the prior written consent of the Seller.

SECTION 8.2 - Mortgage.

To secure the payment of all of Buyer's obligations under this Agreement, Buyer agrees to execute and deliver to the Seller the Mortgage. Upon Buyer's having satisfied all of its obligations under Article VII hereof, Seller will immediately release the Mortgage and any other documents securing this Agreement.

ARTICLE IX

USE; MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

SECTION 9.1 - Use of Property by Buyer

Buyer shall use the Property solely for operations that are duly authorized by law. Buyer shall not use or permit the Property to be used for any purpose for which the Property is not reasonably designed or suited.

No management contract shall be entered into with respect to the Property unless (a) at least half (1/2) the compensation is on a periodic, fixed-fee basis; (b) no compensation is based on a share of net profits; (c) the Buyer is able to terminate the contract without penalties at the end of any three (3) years; and (d) the Seller is able to terminate the contract without penalties upon the occurrence of an Event of Default or a nonappropriation.

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The Buyer warrants to the Seller that the functions for which the Buyer intends to use the Property are essential to the efficient operation of the Buyer.

The Buyer agrees to comply with an Arbitrage Regulation Agreement, substantially in the form attached hereto as Exhibit G, or any other provision as shall be reasonably necessary, in the opinion of nationally recognized bond counsel, to insure that (i) no action is taken in connection with this Agreement which would result in making the interest component payable hereunder subject to federal income taxes by reason of this Agreement being classified as an "arbitrage bond" within the meaning of Section 148 of the Code and (ii) the Buyer will act with respect to this Agreement, the earnings on this Agreement and any other moneys on deposit in any fund or account maintained in respect of this Agreement, including, if necessary, a rebate of such earnings to the United States of America, to the extent the same is within the Buyer's control, in a manner which would cause the interest component on this Agreement to continue to be excluded from gross income for federal income tax purposes under Section 103(a) of the Code, or any successor Internal Revenue Code of the United States of America.

SECTION 9.2 - Maintenance of Property by the Buyer.

The Buyer agrees that, at all times during the Term, the Buyer will, at the Buyer's own cost and expense, service, repair, overhaul, maintain, preserve, and keep the Property or cause the Property to be serviced, maintained, preserved, and kept with the appurtenances and every accession and substitution thereof, in good repair, working order, and condition and that the Buyer will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals, which shall become part of the Property and be included under the terms of this Agreement. Neither the Seller nor its assignee shall have any responsibility in any of these matters or for the making of improvements or additions to the Property.

SECTION 9.3 - Modification or Alteration of Property.

The Buyer shall have the privilege at its own cost and expense of making substitutions, additions, modifications, and improvements to the Property. To the extent such improvements or any others are required under the applicable laws and regulations pertaining to the Property the Buyer shall make same at its own cost and expense. Any such improvements shall be considered as part of the Property; provided, however, that:

- (a) such substitutions, additions, modifications and improvements shall not in any way damage the Property nor cause it to be used for purposes other than those authorized under the constitutional provisions and laws applicable to the Buyer; and

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(b) the Property, as improved or altered upon completion of substitutions, additions, modifications and improvements made pursuant to this Article IX, shall be of a value not less than the value of the Property immediately prior to the remodeling or the making of substitutions, additions, modifications and improvements.

Any property for which a substitution or replacement is made pursuant to this Section 9.3 may be disposed of by the Buyer in any manner and in the sole discretion of the Buyer.

Upon the termination of this Agreement for any reason after the Closing Date, the Buyer may remove any trade fixtures of the Buyer.

SECTION 9.4 - Taxes, Other Governmental Charges and Utility Charges.

In the event the Property is found to be subject to taxation in any form, the Buyer will pay as the same respectively become due, all taxes and governmental charges of any kind whatsoever together with any interest and penalties that may at any time be lawfully assessed or levied against or with respect to the Property including but not limited to the ownership, leasing, rental, sale, purchase, or possession thereof and any property acquired by the Buyer in substitution for, as a renewal or replacement of, or as a modification, improvement, or addition to the Property, as well as all other charges incurred in the operation, maintenance, use and upkeep of the Property; provided that with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Buyer shall be obligated to pay only such installments as are required to be paid during the Term; and provided further that the Buyer shall not be required to pay any such taxes or governmental charges, if the validity thereof shall concurrently be contested in good faith by appropriate proceedings. Upon the expiration or earlier termination of this Agreement that is accompanied by a transfer of title to the Seller, the Buyer shall pay to the Seller or its assigns any ad valorem, personal property or excise taxes levied but not yet due and payable.

SECTION 9.5 - Provisions Regarding Insurance.

The Buyer shall provide all-risk property insurance on the Property in an amount not less than All Unpaid Principal Installments (as defined in Section 1.1 hereof, with the Government Obligations referred to in said definition assumed to bear interest at a rate equal to the greater of (i) seven percent (7%) per annum or (ii) the weighted average interest rate per annum borne by outstanding certificates of participation, if any, issued following an assignment of this Agreement permitted by Section 12.1 hereof). The Buyer shall deposit a copy of the insurance policy (or a certificate of insurance) with the Seller and shall give the Seller a copy of each renewal or substitution thereof.

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Any insurance policy issued pursuant to this Section 9.5 shall be so written or endorsed as to make losses, if any, payable to the Seller or its assigns, as their respective interests may appear. The Net Proceeds of the insurance required in this Section 9.5 shall be applied as provided in Article X hereof. Each insurance policy provided for in this Section 9.5 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Seller or its assigns, without first giving written notice thereof to the Seller or its assigns at least thirty (30) days in advance of such cancellation or modification. All premiums due on the insurance policies to be provided by the Buyer shall be paid at such times as are required in order to prevent any lapse in coverage.

SECTION 9.6 - Advances.

In the event the Buyer shall fail to comply with Section 9.5 hereof, the Seller may (but shall be under no obligation to) after forty-five (45) days prior written notice to the Buyer purchase the required policies of insurance and pay the premiums on the same, and all amounts so advanced therefor by the Seller shall become additional obligations of the Buyer hereunder, which amounts, together with interest thereon at the rate of nine and one-quarter percent (9.25%) per annum or to the maximum extent allowed by law, the Buyer agrees to pay.

ARTICLE X

DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 10.1 - Damage and Destruction.

No loss or damage to the Property from any cause whatsoever shall relieve the Buyer of the obligation to make payment of all amounts payable under this Agreement. If prior to the termination of the Term the Property or any portion thereof is destroyed (in whole or in part) or is damaged by any fire or other casualty, the Net Proceeds of any insurance claim shall be applied, at the written election of the Buyer to the Seller within sixty (60) days after the receipt of such Net Proceeds, to one of the following: (a) the prompt repair, replacement, restoration, modification, or improvement of the Property, (b) defeasance pursuant to Section 7.5 hereof or (c) prepayment of an amount equal to All Unpaid Principal Installments (as defined in Section 1.1 hereof, with the Government Obligations referred to in said definition assumed to bear interest at a rate equal to the greater of (i) seven percent (7%) per annum or (ii) the weighted average interest rate per annum borne by outstanding certificates of participation, if any, issued following an assignment of this Agreement permitted by Section 12.1 hereof).

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If prior to the termination of the Term title to, or the temporary use of, the Property or any part thereof or the estate of the Buyer or the Seller in the Property or any part thereof shall be taken under the exercise of the power of eminent domain by any person, firm or corporation acting under governmental authority, the Net Proceeds of any award shall be applied, at the written election of the Buyer to the Seller within sixty (60) days after the receipt of such Net Proceeds, to one of the following: (a) the prompt repair, replacement, restoration, modification, or improvement of the Property, (b) defeasance pursuant to Section 7.5 hereof or (c) prepayment of an amount equal to All Unpaid Principal Installments (as defined in Section 1.1 hereof, with the Government Obligations referred to in said definition assumed to bear interest at a rate equal to the greater of (i) seven percent (7%) per annum or (ii) the weighted average interest rate per annum borne by outstanding certificates of participation, if any, issued following an assignment of this Agreement permitted by Section 12.1 hereof).

The Buyer shall notify the Seller of the date of prepayment pursuant to Subsection (c) of either of the prior two paragraphs not less than forty-five (45) days prior to the date of prepayment.

Any balance of the Net Proceeds remaining after such work has been completed or payment of All Unpaid Principal Installments or the principal component of All Unpaid Principal Installments, respectively, shall be paid to the Buyer.

For the purposes of Section 9.5 of this Agreement and this Article X, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or award after deducting all expenses of the Buyer (including reasonable attorneys' fees) incurred in the collection of such claim or award.

ARTICLE XI

DISCLAIMER OF WARRANTIES; WARRANTIES; USE OF THE PROPERTY

SECTION 11.1 - Disclaimer of Warranties.

THE BUYER ACKNOWLEDGES AND AGREES THAT IT HAS SELECTED THE PROPERTY BASED ON ITS OWN JUDGMENT AND DISCLAIMS RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY THE SELLER AND AGREES THAT THE PROPERTY IS OF A DESIGN, SIZE, QUALITY AND CAPACITY REQUIRED BY THE BUYER AND IS SUITABLE FOR ITS PURPOSES, THE BUYER BEING PRESENTLY IN POSSESSION OF AND USING THE PROPERTY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, OR FITNESS FOR THE PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY, OR ANY

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OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER WITH RESPECT THERETO. EXCEPT AS OTHERWISE PROVIDED HEREIN, IN NO EVENT SHALL SELLER BE LIABLE FOR AN INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, OR FUNCTIONING OR USE BY THE BUYER OF THE PROPERTY.

SECTION 11.2 - Warranties.

The Seller hereby assigns to the Buyer on and after the Closing Date, so long as the Buyer shall not be in default hereunder, the right to assert from time to time whatever claims and rights, including warranties on the Property, that the Seller may have against the engineer, contractor or vendor of the Property. The Buyer's sole remedy for the breach of such warranty, indemnification, or representation shall be against the engineer, contractor or vendor of the Property and not against the Seller or its assigns, nor shall such matter have any effect whatsoever on the rights and obligations of the Buyer or the Seller with respect to this Agreement. The Buyer expressly acknowledges that the Seller makes, and has made, no representation or warranties whatsoever as to the existence or availability of any such warranties of the engineer, contractor or vendor on the Property.

ARTICLE XII

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

SECTION 12.1 - Assignment of Seller.

The Seller may assign all of its right, title and interest in and to this Agreement, including its right to receive all Installment Payments hereunder and proceeds thereof to a trustee or paying agent designated by the Seller. The Buyer hereby consents and agrees to such assignment to said assignee, agrees to execute and deliver such further acknowledgements, agreements and other instruments as may be reasonably required by Seller to effect such assignment and agrees that all installment Payments due under this Agreement shall, upon such assignment and written notice of the address of the assignee, be made to said assignee, without defense or set-off for any reason whatsoever including any dispute between the Buyer and the Seller or the Buyer and said assignee. Any assignee of the Seller or subsequent assignee shall give notice of its address to the Buyer pursuant to Section 14.1 hereof. The Buyer shall not be a party to or issue any certificates of participation or be a party to any trust agreement. All rights of the Seller will inure to any assignee hereof. The Buyer shall not incur any additional expenses or obligations due to any such assignment.

Upon execution of such assignment, all references herein to Seller (including without limitation all references to Seller in the opinion of counsel set forth in Exhibit D hereto), except for references to indemnification by the Seller or

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for references to any representations, covenants or obligations of the Seller, shall include the assignee and any subrogee of beneficiaries of the assignee, whether or not specific reference is otherwise made to the assignee or such subrogee, unless the context requires otherwise.

The Seller's interest in this Agreement may not be assigned or reassigned in whole or in part unless (1) the document by which such assignment or reassignment is made discloses the name and address of the assignee; and (2) the Buyer receives a duplicate original counterpart of the document by which such assignment or reassignment is made. In compliance with Section 149(a) of the Code, the Buyer hereby designates the Seller to be its agent for the purposes of maintaining a book entry system identifying the ownership or interests in and to this Agreement and the Seller hereby accepts its duties as agent hereunder. The Buyer shall not be responsible for any liability of any kind or nature that may arise by reason of the Seller's failure to properly maintain the aforesaid book entry system.

The Seller covenants that in selling certificates of participation relating to this Agreement, it shall distribute only such information relating to the Buyer and to the Project as provided herein, and, provided that the factual information relating to the Buyer and the Project as set forth herein is true and correct in all material respects, the Seller agrees to indemnify and hold the Buyer harmless from any and all liabilities relating to such sale.

SECTION 12.2 - Conveyance, Assignment and Subleasing by the Buyer.

The Buyer shall not transfer, assign, convey or encumber the Property other than pursuant to the Mortgage or this Agreement.

SECTION 12.3 - Covenants.

The Buyer covenants that the Buyer shall not operate the Property in any manner which will create liability for damages against the Seller and its assignees. The covenant under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Term for any reason. The Seller promises to notify the Buyer promptly should the Seller be made aware of any claim as to which the Seller might intend to seek damages for the breach of this covenant and the Seller agrees that the Buyer will be permitted to defend, settle or otherwise handle such claim only if it is reasonably assured that the Seller will not be adversely affected. Notwithstanding the above, the Seller shall have no affirmative duty to solicit information concerning possible or pending claims, and any prejudice resulting from any delay in the giving of such notice

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shall be borne by the Buyer. The Buyer agrees not to withhold or abate any portion of the payments required pursuant to this Agreement for any reason whatsoever, including without limitation, by reason of any defects, malfunctions, breakdowns, or infirmities of any units of the Property.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 13.1 - Events of Default Defined.

The following shall be "Events of Default" under this Agreement and the terms "Event of Default" and "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Buyer to timely pay any Installment Payment or other payment required to be paid hereunder for a period of ten (10) days after written notice is given pursuant to Section 14.1 hereof, specifying such failure and requesting that it be remedied, except after the exercise by the Buyer of a nonappropriation pursuant to Section 7.4 of this Agreement;

(b) Failure by the Buyer to observe and perform any covenant, condition, agreement, or other obligation or undertaking on its part to be observed or performed, other than as referred to in Section 13.1(a) for a period of forty-five (45) days after written notice is given pursuant to Section 14.1 hereof, specifying such failure and requesting that it be remedied, unless the Seller or its assignee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Buyer within the applicable period and diligently pursued until the Default is corrected;

(c) Proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted by or against Buyer, or a receiver, custodian or similar officer shall be appointed for Buyer, or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within forty-five (45) days after the institution or occurrence thereof; provided that no Event of Default shall be deemed to exist pursuant to this Section 13.1(c) as a result of an action to institute or the institution of any proceeding with respect to the Chicago Skyway;

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(d) Any warranty, representation or statement made by Buyer is found to be incorrect or misleading on the date made and which has a materially adverse affect on the obligations of the Buyer hereunder; or

(e) An attachment, levy or execution is levied upon or against the Property by a third party unless such attachment, levy or execution is being contested in good faith by the Buyer through the appropriate procedure in a manner that would operate during the pendency of such procedure to prevent the sale, loss, forfeiture or other deprivation of the Property.

SECTION 13.2 - Remedies on Default.

Whenever any Event of Default referred to in Section 13.1 hereof shall have happened and be continuing, the Seller shall have the right, at its option, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Declare an amount equal to All Unpaid Principal Installments to be immediately due and payable pursuant to this Agreement and such amount shall become and be immediately due and payable; provided, however, that, such amount shall be due and payable notwithstanding the fact that the same have not been appropriated by the Buyer and such amount shall be used to establish the amount of indebtedness due upon foreclosure and if the sale price upon foreclosure of the Property is less than said amount, there shall be no deficiency against the Buyer but if the sale price upon foreclosure of the Property is more than such amount, the excess shall be paid to the Buyer after deduction of authorized costs;

(b) Take whatever action at law or in equity may appear necessary or desirable to collect an amount equal to All Unpaid Principal Installments or enforce performance and observance of any obligation, agreement or covenant of the Buyer under this Agreement or collect damages for nonperformance or nonobservance thereof;

(c) Terminate this Agreement simultaneously with the entry of a decree of foreclosure.

SECTION 13.3 - No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission 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 thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Seller to exercise any remedy reserved to it in Section 13.2 hereof, it shall not be

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necessary to give any notice, other than such notice as may be required in Section 13.1 hereof.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.1 - Notices.

All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business. Any notice to the Buyer shall be given to:

City of Chicago
City Comptroller
Room 501
City Hall
Chicago, Illinois 60602

with a copy to:

City of Chicago
Corporation Counsel
Room 511
City Hall
Chicago, Illinois 60602

Any notice to the Seller shall be given to:

Ross, Harris & Cole
1512 North Fremont
Chicago, Illinois 60622

Either party hereto may change the address for notices by giving written notice thereof to the other party.

SECTION 14.2 - Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the Seller and the Buyer and their respective successors and assigns.

SECTION 14.3 - Severability.

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 14.4 - Amendments, Changes, and Modifications.

This Agreement may not be amended by the Seller and the Buyer except by written agreement executed by the parties hereto; provided, however, that no such amendment that affects the rights

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of any assignee of the Seller shall be effective unless it shall have been consented to by said assignee.

SECTION 14.5 - Execution in Counterparts.

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

SECTION 14.6 - Delivery of Related Documents.

(a) The Buyer will execute or provide the following documents and information substantially in the same form as provided herein on the Closing Date:

(1) Legal opinion of counsel to the Buyer as to the legal, valid and binding nature of this Agreement as provided in the form of Exhibit D hereto;

(2) Certificate of casualty insurance naming Seller and its assigns as additional insureds;

(3) IRS Form 8038-G as provided in the form of Exhibit C hereto;

(4) Arbitration Regulation Agreement as provided in the form of Exhibit G hereto;

(5) Mortgage as provided in Exhibit B hereto; and

(6) Certificate of Comptroller as provided in Exhibit H hereto.

(b) The Seller will provide the following documents substantially in the same form as provided herein on the Closing Date:

(1) Legal opinion of counsel to the Seller as to the legal, valid and binding nature of this Agreement as provided in the form of Exhibit K hereto; and

(2) Legal opinion of Special Counsel as provided in the form of Exhibit L hereto.

SECTION 14.7 - Applicable Law.

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

SECTION 14.8 - Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of sections of this Agreement.

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SECTION 14.9 - Entire Agreement; Waiver.

This Agreement, together with the documents and exhibits executed in connection herewith, constitutes the entire agreement between the Seller and the Buyer with respect to the purchase of the Property from the Seller by the Buyer. The waiver by the Seller of any breach by the Buyer of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach thereof.

SECTION 14.10 - Termination.

In the event the Seller does not furnish the Buyer with a signed purchase agreement with an investor, reasonably acceptable to the Buyer, in regard to the interest of the Seller on or before July 1, 1991, the Buyer may terminate this Agreement.

ARTICLE XV

CERTIFICATIONS

SECTION 15.1 - Certifications of the Buyer.

The Buyer hereby certifies as follows:

(a) The Buyer was incorporated in 1837. The Buyer is a municipal corporation and home rule unit of local government under the 1970 Illinois Constitution and as such, "may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt." The General Assembly of the State of Illinois may, by a three-fifths vote of each legislative house, limit the amount of debt incurred by home rule municipalities. To date the General Assembly has not done so.

Officials of the Buyer

Responsibility for the Buyer's finances is vested by Illinois law in the Mayor, the City Comptroller, the Budget Director, the City Treasurer, and the City Council. The following executive offices of the Buyer are established by statute.

The Mayor. The Mayor is the chief executive officer of the Buyer and is responsible for preparing and recommending the Buyer's annual budget to the City Council. The Mayor has the power to appoint, by and with the advice and consent of the City Council, all officers of the Buyer whose appointment is not otherwise provided by law. The Mayor also presides over the City Council and is empowered to cast a vote in the event of a tie.

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The City Comptroller. The City Comptroller is the head of the Department of Finance and is responsible for the management and control of all matters pertaining to that Department.

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

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

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

Budgetary Procedures

The Mayor, the Budget Director, the Committee on the Budget of the City Council and the City Council are directly responsible for the creation and implementation of the fiscal budget for the Buyer.

The budget process involves several stages. The Budget Director secures from the various City departments their budget requests for the following year. The Mayor may then hold hearings with the selected departments for justification of the respective budget requests. The Budget Director compiles the information for approval by the Mayor who submits the executive budget proposal to the City Council prior to November 15 of each year. The City Council delegates to its Committee on the Budget the responsibility to recommend revisions and alterations to the executive budget as needed. The public has legal access to the budget document at least ten days prior to passage of the annual appropriation ordinance. The City Council also is required to hold at least one public hearing on the budget. Subsequent to the final hearing on the appropriation ordinance and before final action is taken, the City Council may revise, alter, increase or decrease the items contained in the budget document.

Upon final approval of the appropriation ordinance, every line-item appropriation of every organizational unit is entered into the City Comptroller's computerized appropriation accounting system. A quarterly allotment procedure for the expenditure of appropriations is administered by the Budget Director in conjunction with the computerized controls. Organizational units must request quarterly spending authority for a portion of each line-item in their budget. Encumbrance or expenditure documents which exceed a unit's quarterly allotment

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are rejected by the system until such time as the Budget Director approves an increase in the particular allotment. When necessary, the Budget Director can impose economy measures, selectively, or City-wide, through this allotment mechanism.

Buyer Financial Information

The 1989 Audited Financial Statements of the Buyer are attached hereto as Exhibit I. There are no material adverse changes in the financial condition of the Buyer from said 1989 Audited Financial Statements to the date hereof. However, the Buyer shall not provide any further financial information relating to the Buyer other than as provided pursuant to the Certificate of the Comptroller, Exhibit H hereto.

(b) The Property consists of (i) a parcel of land containing approximately 14.4 acres upon which are situated three buildings containing approximately 406,000 square feet of space and (ii) a vacant parcel of land containing approximately 3.1 acres, all located at 1685 North Throop Street in the City of Chicago, Illinois. The Property was leased to the Buyer since December 12, 1988 and was acquired by the Buyer on January 31, 1991 and is the major automotive repair facility for all City departments other than the police, fire and aviation departments. This facility replaced a similar facility that the Buyer occupied since 1957.

The Property on Throop Street is located near the Kennedy expressway on the near north side of Chicago and contains three interconnected one story buildings. The north building, a precast concrete structure containing approximately 125,000 square feet, is the newest building on the site and was constructed approximately 20 years ago. It is suitable as a central city warehouse for storage of materials and supplies but not for vehicle maintenance. It is used as a warehouse for dry goods for the Department of General Services and the Department of Streets and Sanitation. The middle building is a metal structure containing approximately 140,000 square feet. It houses many of the operations of the automotive repair facility including approximately 100 bays for repairing vehicles, paint shop, tire repair, carpenter shop, an automotive parts storage room and dispatch operations. The south building is also a metal structure and contains approximately 140,000 square feet. It also houses operations of the automotive repair facility, including areas suitable for servicing heavier vehicles.

The Property is currently used to service approximately 3,500 vehicles. This includes approximately 2,300 vehicles of the Department of Streets and Sanitation (such as garbage trucks, street sweepers, salt spreaders and asphalt trucks) and approximately 1,200 vehicles of other City departments (Water, Sewer, Public Works, Public Library), many of which have

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specialized equipment enabling the City to perform tasks such as eliminating sewage or maintaining fire hydrants.

Since December, 1988, the Buyer has made renovations to the Property in the amount of approximately \$5,000,000 to render the Property suitable for its purposes, including work to the electrical, water, ventilation and heating systems. From the proceeds of this Agreement, \$5,000,000 will be provided to the Buyer to make additional improvements to the real estate and acquire equipment that will become fixtures. It is anticipated that this money will be used to (1) renovate approximately 6,000 square feet of the north building to create office space for approximately thirty (30) City employees and (2) renovate the middle building to provide additional office space. From time to time the City may locate other activities at the Property.

(c) Attached hereto as Exhibit F are (i) a true, complete and correct copy of the ordinance entitled "AN ORDINANCE APPROVING THE ACQUISITION AND FINANCING OF THE FLEET ADMINISTRATION FACILITY AT 1685 -1865 N. THROOP STREET" adopted by the City Council of the Buyer on April 6, 1990, together with City Council proceedings showing its adoption which ordinance was signed by the Mayor of the Buyer, was thereafter published in the Journal of Proceedings of the City Council of the Buyer and, except as described in the following clause (ii) has not been amended, supplemented, altered or repealed and remains in full force and effect on the date hereof, and (ii) a true, complete and correct copy of the ordinance entitled "AN ORDINANCE AMENDING AN ORDINANCE ENTITLED 'AN ORDINANCE APPROVING THE ACQUISITION AND FINANCING OF THE FLEET ADMINISTRATION FACILITY AT 1685-1865 N. THROOP STREET'" adopted by the City Council of the Buyer on April 12, 1991, together with City Council proceedings showing its adoption which ordinance was signed by the Mayor of the Buyer, was thereafter published in the Journal of Proceedings of the City Council of the Buyer and has not been amended, supplemented, altered or repealed and remains in full force and effect on the date hereof. The two ordinances described in the preceding sentence are herein collectively referred to as the "Ordinance".

(d) The following described instruments (hereinafter collectively referred to as the "Instruments"), as executed and delivered by the Buyer, will be in full force and effect as of the date thereof, and which Instruments the officers of the Buyer are authorized to execute, attest and deliver for and on behalf of the Buyer:

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<u>Document</u>	<u>Dated</u>	<u>Other Parties or Parties</u>
Installment Purchase Agreement	May 1, 1991	Ross, Harris & Cole
Mortgage	May 1, 1991	Ross, Harris & Cole
Arbitrage Regulation Agreement	May 1, 1991	The First National Bank of Chicago, as Trustee

(e) Meetings of the City Council of the Buyer are held as scheduled or called by the City Council of the Buyer.

Public notice of every meeting of the City Council relating in any manner to the Agreement was given at least 24 hours prior to such meeting by posting a copy of each such notice at the principal office of the City Council of the Buyer, namely City Hall, 121 North LaSalle Street, Chicago, Illinois, and by supplying a copy of each such notice to any local newspaper of general circulation or any local radio or television station that has filed an annual request for such notice.

All meetings of the City Council concerning the Agreement and the Mortgage were open to the public, and were held at times and places convenient to the public, as specified in the notice or notices regarding said meetings, in accordance with the Open Meetings Act (Chapter 102, Illinois Revised Statutes, Section 41 et seq.). Each of said meetings was duly called in accordance with law; at each such meeting a quorum was present and acted throughout.

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before any court, public board or body, pending or, to the best of the knowledge of the Buyer, threatened against or affecting the Buyer, which (i) seeks to restrain or enjoin the execution or delivery of the Instruments, (ii) in any way contests or affects any authority for the execution of the Instruments, or the validity or enforceability of the Instruments, (iii) in any way contemplates the liquidation or dissolution of the Buyer, (iv) contests the corporate existence or powers of the Buyer or the incumbency of the officers or members of the City Council of the Buyer or (v) relates to the Property or the Buyer's occupancy thereof.

(g) No approval, consent, authorization or other order or withholding of objection on the part of any Federal, state or local regulatory body, not already obtained, is required by the Buyer in connection with (1) the execution of the Instruments, (2) the execution or delivery of, or compliance by the Buyer with the terms and provisions of, the Instruments, or (3) the consummation by the Buyer of the transactions on its part to be performed as set forth in the Instruments. Said transactions

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will comply with the provisions of any and all applicable state, local or Federal laws and any rules and regulations promulgated thereunder by any regulatory authority or agency. Notwithstanding the foregoing, no opinion is expressed as to any applicable federal or state tax or securities laws.

(h) The execution and delivery of the Instruments, the consummation by the Buyer of the transactions contemplated thereby, and the fulfillment of or compliance by the Buyer with the terms and conditions of the Instruments, will not result in a violation of any law or regulation or result in a material violation or material breach of or constitute a material default under any of the terms, conditions or provisions of any restriction, agreement or instrument to which the Buyer is now a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Buyer, prohibited under the terms of any law, instrument or agreement.

(i) In accordance with the requirements of Chapter 102, Illinois Revised Statutes, Section 3, et seq., to the best of the knowledge of the Buyer, no member of the City Council of the Buyer and no official of the Buyer has any interest, either directly or indirectly, in any contract being entered into or with respect to any work to be carried out in connection with the execution of the Instruments.

(j) The persons executing the Agreement for the Buyer, having been duly elected or appointed as officers of the Buyer, are on the date hereof, the duly elected or appointed and qualified incumbents of the offices of the Buyer set forth below their respective names, and the signatures appearing below are the genuine signatures of said officers.

(k) The Buyer has complied with all the terms of the Instruments to be complied with by it prior to or concurrently with the date hereof.

(l) The City Council of the Buyer has appropriated funds sufficient to pay all amounts due under the Agreement for the remainder of the Buyer's 1991 Fiscal Year, which began on January 1, 1991 and will end on December 31, 1991.

SECTION 15.2 - Certifications of the Seller.

The Seller hereby certifies as follows:

(a) The Seller has executed the appropriate Anti-Apartheid Affidavit (the "Affidavit") attached to this Agreement as Exhibit J and incorporated into this Agreement by this reference.

The Seller understands and acknowledges that the Buyer may declare a default and terminate all existing contracts with

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the Seller if the Seller violates any provision of Chapter 3-68 of the Municipal Code of Chicago (as applicable), including but not limited to (i) a violation of the certifications contained in the Affidavit; (ii) the concealment of an existing contractual relationship or entering into a contractual relationship with (a) South Africa, (b) a South African business, or (c) any business or corporation for the express purpose of assisting operations in, or trading with any private or public entity located in South Africa; and (iii) the sale to the Buyer of goods principally manufactured, produced, assembled, grown or mined in South Africa. This right of termination is supplemental to any other remedy which the Buyer may have under this Agreement, at law or in equity, and shall entitle the Buyer to direct, indirect, special and consequential damages and any other applicable legal or equitable remedy. The right of termination set forth in this subsection shall not affect the enforceability of this Agreement pursuant to Section 12.1 hereof by or on behalf of the holders of certificates of participation following any assignment of this Agreement permitted by said Section 12.1.

Further, the Seller understands and acknowledges that any person who violates any provision of Chapter 3-68 of the Municipal Code of Chicago shall be subject to a fine of not less than \$500 and not more than \$1,000 for each offense. Every day that the violation continues shall constitute a separate and distinct offense. This fine shall be in addition to the remedy of termination enumerated above, and any other remedy available under applicable law.

(b) 1. Neither the Seller or any official, agent, or employee of the Seller in the last three (3) years has: (a) been convicted of bribery or attempting to bribe a public officer or employee of the Buyer, the State of Illinois or any agency of the federal government or of any state or local government in the United States, in that officer's or employee's official capacity; or (b) been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise; or (c) made an admission of guilt of such conduct described in (a) or (b) above which is a matter of record, but has not been prosecuted for such conduct.

2. No payment, gratuity or offer of employment has been made in connection with the Agreement by or on behalf of the Seller or any person associated with the Seller as an inducement for the Buyer to enter into the Agreement with the Seller pursuant to Section 2-156 of the Municipal Code of the City.

3. The Seller shall comply with the applicable requirements of the Governmental Ethics Ordinance of the City, Chapter 2-156 of the Municipal Code of the City.

4. The Seller is not delinquent in any tax administered by the Illinois Department of Revenue, or if delinquent the Seller is contesting liability for any such tax in

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compliance with an agreement with the Department of Revenue for the payment of any such tax.

5. The Seller understands and will comply with all the provisions of Chapter 2-56 of the Municipal Code of the City (Office of the Inspector General).

(c) In accordance with the requirements of Chapter 102, Illinois Revised Statutes, Section 3, et seq., to the best of the knowledge of the Seller, no member of the City Council of the Buyer and no official of the Buyer has any interest, either directly or indirectly, in any contract being entered into or with respect to any work to be carried out in connection with the execution of the Instruments.

SECTION 15.3 - Certification of Comptroller.

The Comptroller of the Buyer shall execute the Certificate of Comptroller on the Closing Date.

IN WITNESS WHEREOF, the Seller has caused this Agreement to be executed by its partners and the City of Chicago has caused this Agreement to be executed in its corporate name by its Mayor, with its Seal hereunder affixed and attested by its City Clerk, all as of the day and year first hereinabove written.

ROSS, HARRIS & COLE, a general partnership

By: _____

By: _____
all its partners

CITY OF CHICAGO

By: _____
Name: Walter K. Knorr
Its: Comptroller

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PARCEL 1: **UNOFFICIAL COPY**

THAT PART OF BLOCK 1 IN ILLINOIS STEEL COMPANY'S NORTH WORKS ADDITION TO CHICAGO, ALSO ALL THAT PART OF VACATED MCHENRY STREET TOGETHER WITH ALL THAT PART OF VACATED REDFIELD STREET TOGETHER WITH THAT PART OF THE 14.4 FOOT VACATED ALLEY PER DOCUMENT NO. 6845871 RECORDED JUNE 4, 1920, ALSO LOTS 27 AND 51 IN CHICAGO LAND COMPANY'S SUBDIVISION OF BLOCKS 17, 18 AND 20 IN SHEFFIELD'S ADDITION TO CHICAGO, IN THE SOUTH 1/2 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL TAKEN AS A TRACT, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF WEST WILLOW STREET WITH THE WESTERLY LINE OF BLOCK 1 AFORESAID; THENCE NORTH 62 DEGREES 31 MINUTES 52 SECONDS EAST, ALONG SAID NORTHERLY LINE, 46.45 FEET TO THE HEREINAFTER DESIGNATED POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT; THENCE CONTINUING NORTH 62 DEGREES 31 MINUTES 52 SECONDS EAST, ALONG SAID NORTHERLY LINE, 0.06 FEET TO THE POINT OF INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE SOUTHWESTERLY LINE OF SAID LOT 27; THENCE SOUTH 27 DEGREES 31 MINUTES 09 SECONDS EAST, ALONG SAID NORTHWESTERLY EXTENSION AND THE SOUTHWESTERLY LINES OF LOTS 27 AND 51 AFORESAID, 290.41 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 51; THENCE NORTH 62 DEGREES 34 MINUTES 24 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID LOT 51 AND ITS NORTHEASTERLY EXTENSION, BEING ALSO THE NORTHERLY LINE OF WEST WABANSIA AVENUE, 121.12 FEET TO THE POINT OF INTERSECTION WITH THE NORTHEASTERLY LINE OF NORTH THROOP STREET, BEING ALSO THE SOUTHWESTERLY LINE OF BLOCK 1 AFORESAID; THENCE SOUTH 27 DEGREES 50 MINUTES 59 SECONDS EAST, ALONG SAID NORTHEASTERLY LINE, 657.25 FEET TO THE BEND POINT IN THE EASTERLY LINE OF SAID NORTH THROOP STREET; THENCE SOUTH 0 DEGREES 14 MINUTES 13 SECONDS EAST, ALONG THE EAST LINE OF NORTH THROOP STREET, BEING ALSO THE WEST LINE OF BLOCK 1 AFORESAID, 3.40 FEET TO A POINT 290.10 FEET NORTH OF THE SOUTH WEST CORNER OF BLOCK 1 AFORESAID; THENCE NORTH 62 DEGREES 38 MINUTES 53 SECONDS EAST 437.59 FEET; THENCE NORTH 27 DEGREES 24 MINUTES 30 SECONDS WEST, 9.63 FEET; THENCE NORTH 62 DEGREES 35 MINUTES 30 SECONDS EAST, 13.68 FEET; THENCE NORTH 27 DEGREES 25 MINUTES 36 SECONDS WEST, 110.00 FEET; THENCE NORTH 18 DEGREES 19 MINUTES 37 SECONDS EAST, 324.53 FEET TO A POINT ON THE WESTERLY DOCK LINE OF THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE NORTHERLY AND WESTERLY ALONG SAID DOCK LINE, TO A POINT ON A LINE 80.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF WEST WILLOW STREET AND ITS NORTHEASTERLY EXTENSION AFORESAID; THENCE SOUTH 62 DEGREES 31 MINUTES 52 SECONDS WEST, ALONG SAID PARALLEL LINE, 559.08 FEET TO A POINT ON A LINE 46.45 FEET NORTHEASTERLY OF AND PARALLEL WITH THE WESTERLY LINE OF SAID BLOCK 1; THENCE SOUTH 27 DEGREES 50 MINUTES 59 SECONDS EAST, ALONG THE AFORESAID PARALLEL LINE, 80.00 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

SUB-PARCEL 2"A":

THE NORTHERLY 1/2 OF LOT 43 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO, IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"B":

THE SOUTHERLY 1/2 OF LOT 43 AND ALL OF LOTS 44, 45, 46, 47, 48, 49, 50, 53, 54, 55 AND 56 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND

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BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"C":

ALL OF THE NORTHWESTERLY - SOUTHEASTERLY 16 FOOT VACATED ALLEY TOGETHER WITH ALL OF THE NORTHEASTERLY - SOUTHWESTERLY 16 FOOT VACATED ALLEY LYING NORTHWESTERLY OF THE NORTHWESTERLY LINES OF LOTS 51 TO 56, BOTH INCLUSIVE, LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF LOTS 49 AND 50, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF LOTS 44, 45, 48 AND 49 AND LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF LOTS 43, 46, 47 AND 50 (EXCEPTING THEREFROM THAT PART OF THE SOUTHEASTERLY 1/2 OF SAID 16 FOOT ALLEY LYING NORTHERLY OF AND ADJOINING LOT 51) IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"D:

LOTS 1 AND 2 IN SUB-BLOCK 3 OF BLOCK 18 IN THE SUBDIVISION OF BLOCKS 17, 18, 20, 21 (EXCEPT LOTS 1, 5, AND 12 IN SAID BLOCK 21) AND BLOCKS 23, 28, 29, 30, 31, 32 (EXCEPT LOTS 1, 2, 3, 6 AND 7) AND BLOCKS 33, 38, 39, 40 AND 41 OF SHEFFIELD'S ADDITION TO CHICAGO IN SECTIONS 29, 31, 32 AND 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"E:

LOTS 3, 4, 5 AND 6 IN SUB-BLOCK 3 IN BLOCK 18 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART OF SAID LOTS 3 AND 4 DESCRIBED AS FOLLOWS:

A STRIP OF LAND 20 FEET IN WIDTH BEING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE: COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID LOTS 3 AND 4, 51.32 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 3; THENCE EASTERLY ALONG A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 543.56 FEET A DISTANCE OF 53.98 FEET TO A POINT ON THE EAST STREET LINE OF LOT 3, 16.39 FEET SOUTH OF THE NORTH EAST CORNER THEREOF BEING THE TERMINUS OF THE CENTER LINE HEREIN DESCRIBED IN COOK COUNTY, ILLINOIS

SUB-PARCEL 2"F:

A STRIP OF LAND 20 FEET IN WIDTH BEING 10 ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE: COMMENCING AT A POINT ON THE NORTHERLY LINE OF LOTS 3 AND 4, 51.32 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 3; THENCE EASTERLY ALONG A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 543.56 FEET A DISTANCE OF 53.98 FEET TO A POINT ON THE EAST STREET LINE OF LOT 3, 16.39 FEET SOUTH OF THE NORTH EAST CORNER THEREOF BEING THE TERMINUS OF THE CENTER LINE HEREIN DESCRIBED IN SUB-BLOCK 3 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

P.I.N. 14-32-310-003
14-32-311-007
14-32-317-014

Address: 1685 North Throop Street
Chicago, Illinois

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EXHIBIT B 3 1 4 6 5 6

MORTGAGE

THE MORTGAGOR, the City of Chicago, an Illinois Home Rule municipality located in County of Cook and State of Illinois, mortgages to Ross, Harris & Cole, an Illinois partnership, its successors and assigns ("Mortgagee"), the real estate described in Exhibit A which is attached and hereby incorporated, to secure the performance of all obligations and covenants under the Installment Purchase Agreement ("Agreement") between Mortgagor and Mortgagee, dated as of May 1, 1991, a copy of which is attached as Exhibit B and hereby incorporated, including the payment of an indebtedness, which shall be payable in accordance with the Agreement, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Agreement and this Mortgage.

Mortgagor hereby waives, to the extent authorized by law, any and all homestead rights.

DATED THIS 25TH DAY OF JUNE, 1991.

CITY OF CHICAGO

By: _____
Walter K. Knorr
Comptroller

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid DO HEREBY CERTIFY that WALTER K. KNORR personally known to me to be the Comptroller of the City of Chicago and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, and the free and voluntary act of the City, for the purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this _____ day of June, 1991.

Notary Public

My Commission Expires:

Prepared by and Return to:
John D. McDonough
Assistant Corporation Counsel
Real Estate & Land Use Division
121 North LaSalle Street
Room 511, City Hall
Chicago, Illinois 60602
(312) 744-9827

91014055

Form **8038-G**
(Rev. October 1989)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations
▶ Under Section 149(e)
▶ See separate instructions
(Use Form 8038-GC if the issue price is under \$100,000)

OMB No. 1545-0720
Expires 5-31-92

Part I Reporting Authority Check box if Amended Return

1 Issuer's name: City of Chicago 2 Issuer's employer identification number: 36-6005820

3 Number and street: 121 North LaSalle Street 4 Report number: G19 91-

5 City or town, state, and ZIP code: Chicago, Illinois 60602 6 Date of issue: June 25, 1991

7 Name of issue: N/A 8 CUSIP Number: 167524AD9

Part II Type of Issue (check box(es) that applies and enter the issue price)

9 Check box if obligations are tax or other revenue anticipation bonds ▶ Issue price

10 Check box if obligations are in the form of a lease or installment sale ▶

11 Education \$

12 Health and hospital

13 Transportation \$24,700,000

14 Public safety

15 Environment (including sewage bonds)

16 Housing

17 Utilities

18 Other Describe (see Instructions)

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	N/A	N/A %	N/A	N/A			
20 Entire issue			<u>\$24,700,000</u>	N/A	<u>20 years</u>	<u>8.039607%</u>	<u>7.75%</u>

Part IV Uses of Original Proceeds of Bond Issues (including underwriters' discount)

21 Proceeds used for accrued interest	21	N/A
22 Issue price of entire issue (enter line 20c)	22	N/A
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	N/A
24 Proceeds used for credit enhancement	24	N/A
25 Proceeds allocated to reasonably required reserve or replacement fund	25	N/A
26 Proceeds used to refund prior issues	26	N/A
27 Total (add lines 23, 24, 25, and 26)	27	N/A
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	N/A

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

29 Enter the remaining weighted average maturity of the bonds to be refunded N/A years

30 Enter the last date on which the refunded bonds will be called

31 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ N/A

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ -0-

34 Pooled financings

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶ N/A

b Check box if this issue is a loan made from the proceeds of another tax-exempt issue and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

June 25, 1991 Walter K. Knorr, Comptroller

Signature of officer Date Type or print name and title

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EXHIBIT D

OPINION OF CORPORATION COUNSEL

[Letterhead of Corporation Counsel]

June 25, 1991

Ross, Harris & Cole
1512 North Fremont
Chicago, Illinois 60622

Re: Installment Purchase Agreement dated as of
May 1, 1991 of the City of Chicago, Illinois

Ladies and Gentlemen:

I am the Corporation Counsel for the City of Chicago, Illinois (the "City") and in connection with the execution of the Installment Purchase Agreement dated as of May 1, 1991 (the "Installment Purchase Agreement") with Ross, Harris & Cole (the "Seller") relating to 1685 North Throop Street, Chicago, Illinois (the "Property"), I have examined the following:

1. The Constitution of the State of Illinois and the Illinois laws that I consider necessary for the purposes of this opinion.
2. The provisions of an ordinance entitled "Ordinance Approving the Acquisition and Financing of the Fleet Administration Facility at 1685-1865 N. Throop Street" adopted by the City Council of the City on April 6, 1990, as amended by an ordinance adopted by the City Council of the City of April 12, 1991 authorizing the execution of the Installment Purchase Agreement (the "Ordinance").
3. The Installment Purchase Agreement, as executed by the City.

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4. The Mortgage (the "Mortgage") dated as of May 1, 1991 from the City to the Seller.

5. The Arbitrage Regulation Agreement (the "Arbitrage Regulation Agreement") dated as of May 1, 1991 by and between the City and The First National Bank of Chicago, as Trustee.

I have made such investigations of laws as I deem necessary and relevant as a basis for my opinion hereinafter set forth.

Based upon the foregoing and upon such other information and documents furnished to me as I believe necessary to enable me to render this opinion, I am of the opinion that:

(1) The City is a validly existing home rule municipal corporation of the State of Illinois and has all requisite power and authority under the Constitution and laws of the State of Illinois, among other things, to adopt and perform its duties and obligations under the Ordinance, and to authorize, execute and deliver the Installment Purchase Agreement, the Mortgage and the Arbitrage Regulation Agreement (collectively the "City Documents").

(2) The Installment Purchase Agreement and the Arbitrage Regulation Agreement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City; provided that no opinion is expressed with regard to any provision which may limit the City's ability to provide necessary governmental services.

(3) Compliance with the provisions of the Ordinance and the City Documents by the City to the best of my knowledge does not conflict with or constitute on the part of the City a material breach of or material default under, any applicable law, administrative regulation, court order or consent decree of the State of Illinois or any department, division, agency or instrumentality thereof or of the United States or any loan agreement, note, resolution or indenture, agreement or other instrument to which the City is a party or to which the City is subject; provided, however that no opinion is expressed concerning compliance with the federal securities laws, any securities or "Blue Sky" laws of any state or any federal income tax laws.

(4) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction that would constitute conditions precedent to the performance by the City of its obligations under the Ordinance and the City Documents have been obtained.

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(5) There is no litigation or proceeding, pending, or to the best of my knowledge, threatened, in any way affecting the existence of the City, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution or delivery of the City Documents or in any way contesting or affecting the validity or enforceability of the Ordinance or the City Documents. In addition, to the best of my knowledge, there is no litigation pending or threatened, respecting the Property or the City's occupancy thereof.

The foregoing opinions are qualified and limited by bankruptcy, reorganization, debt arrangement, insolvency or other laws affecting creditors' rights generally and by principles of equity to the extent equitable remedies are sought.

Pursuant to the requirements of the Ordinance, I hereby approve the City Documents as executed by the City.

No one shall be entitled to rely on this opinion other than the Seller under the Installment Purchase Agreement.

Respectfully submitted,

Property of Cook County Clerk's Office

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Property of Cook County Clerk's Office

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EXHIBIT E

PAYMENT SCHEDULE

Property of Cook County Clerk's Office

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Property of Cook County Clerk's Office

MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
1	35,227.08	170,397.92	205,625.00
2	35,486.99	170,138.01	205,625.00
3	35,748.81	169,876.19	205,625.00
4	36,012.57	169,612.43	205,625.00
5	36,278.28	169,346.73	205,625.00
6	36,545.94	169,079.06	205,625.00
7	36,815.58	168,809.42	205,625.00
8	37,087.21	168,537.80	205,625.00
9	37,360.84	168,264.16	205,625.00
10	37,636.49	167,988.51	205,625.00
11	37,914.18	167,710.83	205,625.00
12	38,193.91	167,431.09	205,625.00
13	38,475.71	167,149.30	205,625.00
14	38,759.58	166,865.42	205,625.00
15	39,045.56	166,579.45	205,625.00
16	39,333.64	166,291.37	205,625.00
17	39,623.84	166,001.16	205,625.00
18	39,916.19	165,708.81	205,625.00
19	40,210.70	165,414.31	205,625.00
20	40,507.37	165,117.63	205,625.00
21	40,806.24	164,818.76	205,625.00
22	41,107.31	164,517.69	205,625.00
23	41,410.61	164,214.40	205,625.00
24	41,716.14	163,908.87	205,625.00
25	42,023.92	163,601.08	205,625.00
26	42,333.98	163,291.03	205,625.00
27	42,646.32	162,978.68	205,625.00
28	42,960.97	162,664.03	205,625.00
29	43,277.94	162,347.07	205,625.00
30	43,597.25	162,027.76	205,625.00
31	43,918.91	161,706.09	205,625.00
32	44,242.95	161,382.06	205,625.00
33	44,569.38	161,055.63	205,625.00
34	44,898.21	160,726.79	205,625.00
35	45,229.47	160,395.53	205,625.00
36	45,563.18	160,061.82	205,625.00
37	45,899.35	159,725.65	205,625.00
38	46,238.00	159,387.00	205,625.00
39	46,579.15	159,045.86	205,625.00
40	46,922.81	158,702.19	205,625.00
41	47,269.01	158,355.99	205,625.00
42	47,617.77	158,007.24	205,625.00
43	47,969.09	157,655.91	205,625.00
44	48,323.01	157,301.99	205,625.00
45	48,679.55	156,945.46	205,625.00

Property of County Clerk's Office

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Property of Cook County Clerk's Office

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EXHIBIT E

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MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
46	49,038.71	156,586.30	205,625.00
47	49,400.52	156,224.48	205,625.00
48	49,765.00	155,860.00	205,625.00
49	50,132.17	155,492.83	205,625.00
50	50,502.05	155,122.95	205,625.00
51	50,874.66	154,750.35	205,625.00
52	51,250.01	154,374.99	205,625.00
53	51,628.14	153,996.86	205,625.00
54	52,009.06	153,615.95	205,625.00
55	52,392.79	153,232.22	205,625.00
56	52,779.34	152,845.66	205,625.00
57	53,165.75	152,456.25	205,625.00
58	53,561.04	152,063.97	205,625.00
59	53,956.21	151,668.79	205,625.00
60	54,354.31	151,270.70	205,625.00
61	54,755.34	150,869.67	205,625.00
62	55,159.33	150,465.68	205,625.00
63	55,566.30	150,058.71	205,625.00
64	55,976.27	149,648.73	205,625.00
65	56,389.27	149,235.74	205,625.00
66	56,805.31	148,819.89	205,625.00
67	57,224.43	148,400.58	205,625.00
68	57,646.63	147,978.37	205,625.00
69	58,071.95	147,553.05	205,625.00
70	58,500.41	147,124.59	205,625.00
71	58,932.03	146,692.97	205,625.00
72	59,366.84	146,258.16	205,625.00
73	59,804.85	145,820.15	205,625.00
74	60,246.10	145,378.90	205,625.00
75	60,690.60	144,934.40	205,625.00
76	61,138.38	144,486.62	205,625.00
77	61,589.46	144,035.54	205,625.00
78	62,043.88	143,581.13	205,625.00
79	62,501.64	143,123.36	205,625.00
80	62,962.78	142,662.22	205,625.00
81	63,427.33	142,197.68	205,625.00
82	63,895.30	141,729.70	205,625.00
83	64,366.72	141,258.28	205,625.00
84	64,841.63	140,783.38	205,625.00
85	65,320.03	140,304.97	205,625.00
86	65,801.97	139,823.03	205,625.00
87	66,287.46	139,337.54	205,625.00
88	66,776.54	138,848.47	205,625.00
89	67,269.22	138,355.78	205,625.00
90	67,765.54	137,859.47	205,625.00

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MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
91	68,265.52	137,359.49	205,625.00
92	68,769.18	136,855.82	205,625.00
93	69,276.57	136,348.43	205,625.00
94	69,787.70	135,837.31	205,625.00
95	70,302.60	135,322.41	205,625.00
96	70,821.29	134,803.71	205,625.00
97	71,343.82	134,281.18	205,625.00
98	71,870.20	133,754.80	205,625.00
99	72,400.46	133,224.54	205,625.00
100	72,934.64	132,690.36	205,625.00
101	73,472.76	132,152.24	205,625.00
102	74,014.85	131,610.16	205,625.00
103	74,560.91	131,064.07	205,625.00
104	75,111.05	130,513.95	205,625.00
105	75,665.23	129,959.78	205,625.00
106	76,223.49	129,401.51	205,625.00
107	76,785.87	128,839.13	205,625.00
108	77,352.41	128,272.59	205,625.00
109	77,923.12	127,701.89	205,625.00
110	78,498.04	127,126.96	205,625.00
111	79,077.21	126,547.80	205,625.00
112	79,660.64	125,964.36	205,625.00
113	80,248.39	125,376.62	205,625.00
114	80,840.47	124,784.54	205,625.00
115	81,436.91	124,188.09	205,625.00
116	82,037.76	123,587.24	205,625.00
117	82,643.04	122,981.96	205,625.00
118	83,252.79	122,372.21	205,625.00
119	83,867.04	121,757.97	205,625.00
120	84,485.81	121,139.19	205,625.00
121	85,109.16	120,515.85	205,625.00
122	85,737.10	119,887.90	205,625.00
123	86,369.67	119,255.33	205,625.00
124	87,006.92	118,618.09	205,625.00
125	87,648.86	117,976.14	205,625.00
126	88,295.54	117,329.46	205,625.00
127	88,946.99	116,678.01	205,625.00
128	89,603.25	116,021.75	205,625.00
129	90,264.35	115,360.65	205,625.00
130	90,930.33	114,694.68	205,625.00
131	91,601.22	114,023.78	205,625.00
132	92,277.06	113,347.94	205,625.00
133	92,957.89	112,667.12	205,625.00
134	93,643.74	111,981.26	205,625.00
135	94,334.65	111,290.35	205,625.00

Properly Certified Clerk's Office

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EXHIBIT E

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MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
136	95,030.66	110,594.34	205,625.00
137	95,731.80	109,893.20	205,625.00
138	96,438.12	109,186.88	205,625.00
139	97,149.65	108,475.36	205,625.00
140	97,866.43	107,758.58	205,625.00
141	98,588.49	107,036.51	205,625.00
142	99,315.89	106,309.12	205,625.00
143	100,048.65	105,576.36	205,625.00
144	100,786.81	104,838.19	205,625.00
145	101,530.43	104,094.58	205,625.00
146	102,279.53	103,345.48	205,625.00
147	103,034.15	102,590.85	205,625.00
148	103,794.35	101,830.66	205,625.00
149	104,560.15	101,064.85	205,625.00
150	105,331.60	100,293.40	205,625.00
151	106,108.75	99,516.25	205,625.00
152	106,891.63	98,733.38	205,625.00
153	107,680.28	97,944.72	205,625.00
154	108,474.76	97,150.25	205,625.00
155	109,275.09	96,349.91	205,625.00
156	110,081.33	95,543.67	205,625.00
157	110,893.52	94,731.48	205,625.00
158	111,711.70	93,913.30	205,625.00
159	112,535.92	93,089.08	205,625.00
160	113,366.22	92,258.78	205,625.00
161	114,202.65	91,422.36	205,625.00
162	115,045.24	90,579.76	205,625.00
163	115,894.06	89,730.95	205,625.00
164	116,749.13	88,875.87	205,625.00
165	117,610.52	88,014.49	205,625.00
166	118,478.26	87,146.75	205,625.00
167	119,352.40	86,272.61	205,625.00
168	120,232.99	85,392.01	205,625.00
169	121,120.08	84,504.93	205,625.00
170	122,013.71	83,611.29	205,625.00
171	122,913.94	82,711.07	205,625.00
172	123,820.81	81,804.20	205,625.00
173	124,734.37	80,890.64	205,625.00
174	125,654.67	79,970.34	205,625.00
175	126,581.76	79,043.25	205,625.00
176	127,515.69	78,109.32	205,625.00
177	128,456.51	77,168.49	205,625.00
178	129,404.27	76,220.73	205,625.00
179	130,359.03	75,265.98	205,625.00
180	131,320.83	74,304.18	205,625.00

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MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
181	132,289.72	73,335.28	205,625.00
182	133,265.77	72,359.24	205,625.00
183	134,249.01	71,375.99	205,625.00
184	135,239.51	70,385.49	205,625.00
185	136,237.32	69,387.68	205,625.00
186	137,242.49	68,382.51	205,625.00
187	138,255.08	67,369.93	205,625.00
188	139,275.13	66,349.87	205,625.00
189	140,302.72	65,322.29	205,625.00
190	141,337.88	64,287.12	205,625.00
191	142,380.68	63,244.32	205,625.00
192	143,431.18	62,193.82	205,625.00
193	144,489.12	61,135.58	205,625.00
194	145,555.48	60,069.52	205,625.00
195	146,629.40	58,995.60	205,625.00
196	147,711.25	57,913.76	205,625.00
197	148,801.07	56,823.93	205,625.00
198	149,898.94	55,726.07	205,625.00
199	151,004.90	54,620.10	205,625.00
200	152,119.03	53,505.97	205,625.00
201	153,241.38	52,383.63	205,625.00
202	154,372.00	51,253.00	205,625.00
203	155,510.97	50,114.03	205,625.00
204	156,658.35	48,966.66	205,625.00
205	157,814.18	47,810.82	205,625.00
206	158,978.55	46,646.45	205,625.00
207	160,151.51	45,473.50	205,625.00
208	161,333.12	44,291.89	205,625.00
209	162,523.45	43,101.56	205,625.00
210	163,722.56	41,902.45	205,625.00
211	164,930.51	40,694.49	205,625.00
212	166,147.39	39,477.62	205,625.00
213	167,373.23	38,251.77	205,625.00
214	168,608.13	37,016.88	205,625.00
215	169,852.13	35,772.87	205,625.00
216	171,105.31	34,519.69	205,625.00
217	172,367.74	33,257.26	205,625.00
218	173,639.49	31,985.52	205,625.00
219	174,920.61	30,704.39	205,625.00
220	176,211.19	29,413.81	205,625.00
221	177,511.29	28,113.71	205,625.00
222	178,820.98	26,804.02	205,625.00
223	180,140.34	25,484.66	205,625.00
224	181,469.43	24,155.57	205,625.00
225	182,808.33	22,816.68	205,625.00

Property of County Clerk's Office

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EXHIBIT E

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MONTHLY PAYMENT SCHEDULE

MONTH	PRINCIPAL	INTEREST	TOTAL
226	184,157.10	21,467.90	205,625.00
227	185,515.83	20,109.18	205,625.00
228	186,884.58	18,740.43	205,625.00
229	188,263.43	17,361.58	205,625.00
230	189,652.45	15,972.55	205,625.00
231	191,051.72	14,573.28	205,625.00
232	192,461.32	13,163.69	205,625.00
233	193,881.31	11,743.69	205,625.00
234	195,311.78	10,313.22	205,625.00
235	196,752.81	8,872.19	205,625.00
236	198,204.47	7,420.54	205,625.00
237	199,666.84	5,958.17	205,625.00
238	201,139.98	4,485.01	205,625.00
239	202,624.02	3,000.98	205,625.00
240	204,119.00	1,506.01	205,625.00

Property of Cook County Clerk's Office

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EXHIBIT F
ORDINANCE
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**ORDINANCE APPROVING THE ACQUISITION
AND FINANCING OF THE FLEET
ADMINISTRATION FACILITY
AT
1685-1665 N. THROOP STREET**

WHEREAS, on November 16, 1988, the City Council passed an ordinance approving a Lease and Purchase Agreement ("Purchase Agreement") between the City of Chicago ("City") and the owner of the Property commonly known as 1685-1665 North Throop Street in Chicago, Illinois as a facility for the Bureau of Fleet Administration of the Department of General Services to conduct its operations of repairing and maintaining City vehicles (the "Property"); and

WHEREAS, pursuant to the Purchase Agreement the City has paid "base rent" from February 1, 1989 to January 30, 1990 in the amount of \$170,858 per month; and

WHEREAS, under the Purchase Agreement the rent increases thereafter in annual increments of 40, 250, 50 and 50 and the initial cost of building out the structure to meet the specific requirements of the City of \$5 million was paid by the owner and is being amortized over the lease term in monthly payments as additional rent in the amount of \$74,433 per month; and

WHEREAS, the Purchase Agreement requires the City to purchase the Property no later than February 1, 1991 (the "Scheduled Closing") for a purchase price of \$12,700,000, plus the unamortized portion of the initial costs of the build-out; and

WHEREAS, the Purchase Agreement permits the City to close prior to the Scheduled Closing and receive a discount from the purchase price for each month prior to the Scheduled Closing that a closing occurs; and

WHEREAS, it is necessary to make final alterations and installations of equipment on the Property in an estimated amount of \$5 million in order to complete a facility capable of properly maintaining and repairing the City's vehicles for a total project cost of approximately \$23.5 million.

WHEREAS, it is in the best interests of the City to acquire the Property promptly and to finance the cost of acquiring and equipping the Property in a financially prudent manner; and

WHEREAS, Ross, Harris and Cole ("the Lender"), an Illinois Partnership is prepared to finance the acquisition and improvement of the Property by the City pursuant to terms which are economically favorable to the City; and

WHEREAS, the City is a body politic and corporate under the laws of the State of Illinois and a home rule unit of government under Article VII of the Illinois Constitution of 1970; and

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WHEREAS, the City has determined that it is advisable and necessary at this time to borrow an amount necessary for the purposes of acquiring the Property and completing final installations thereon and expenses related thereto and such borrowing is for a proper public purpose and in the public interest, and the City, by virtue of its constitutional home rule powers and the laws applicable thereto has the power to enter into a loan agreement and mortgage as provided hereinafter; Now Therefore;

BE IT ORDAINED BY THE CITY OF CHICAGO:

SECTION 1. The City Council, after a public meeting heretofore held on this ordinance by the Committee on Finance of the City Council, 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 true and correct and hereby incorporates them into this ordinance by this reference.

SECTION 2. The City shall borrow from the Lender a sum not to exceed \$23.5 million (the "Loan") for the purpose of acquiring and equipping the Property and expenses related thereto. The Loan shall bear interest in an amount not to exceed 9.25% and shall be for a term not to exceed twenty (20) years. For purposes of this acquisition only, the Lender may act as the nominee of the City.

SECTION 3. The Loan shall be secured solely by the Property and shall not be secured by the full faith and credit of the City.

SECTION 4. Any and all costs of insuring the Property shall be the sole responsibility of the Lender and may be deducted from the Loan.

SECTION 5. The Mayor is authorized to execute and the City Clerk to attest to a loan agreement and mortgage and other related documents necessary to effectuate the provision of this ordinance, subject to the approval of the Corporation Counsel and the Comptroller.

SECTION 6. This ordinance shall take effect immediately upon its passage.

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APPROVED: *[Signature]*
Mayor
19

PAID BY THE CITY CLERK OF THE CITY OF
CHICAGO AND NOT TO BE RECORDED AT THE
CLERK'S OFFICE

APRIL 6, 1990

John M. Gagliardi
Circuit Court

Property of Cook County Clerk's Office

APPROVED: *[Signature]*
CORPORAL COUNSEL

Document No. _____

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EXHIBIT C
ARBITRAGE REGULATION AGREEMENT; 6 5 6

THIS AGREEMENT made and entered into as of May 1, 1991 by and between the City of Chicago, Illinois (the "City") and The First National Bank of Chicago, as Trustee (the "Trustee").

W I T N E S S E T H:

This Agreement sets forth procedures to comply with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). Temporary and proposed regulations have been promulgated by the United States Treasury Department ("Treasury") under Section 148 of the Code relating to arbitrage rebate restrictions (the "Rebate Regulations"). For purposes of implementing the relevant provisions of Section 148 of the Code applicable to the Installment Purchase Agreement dated as of May 1, 1991 between the City and Ross, Harris & Cole (the "Seller") (the "Installment Purchase Agreement"), reference is made to such Rebate Regulations and this Agreement is modified in its entirety by such Rebate Regulations. The Rebate Regulations as of the date hereof are complex and leave many terms and concepts undefined and unclarified. Certain provisions are reserved for future regulations. Compliance with this Agreement may not establish compliance with future interpretations of Section 148 of the Code as set forth in the Rebate Regulations as they may be amended or modified in the future.

Since the requirements of such Section 148 of the Code are subject to amplification and clarification, Bond Counsel may provide the City or the Trustee with, or the City or the Trustee may seek supplements to, this Agreement from time to time to reflect any additional or different requirements of such Section. Additionally, as a result of future developments, Bond Counsel may provide the City and the Trustee with, or the City or the Trustee may seek supplements to, this Agreement to the effect that any specified action required hereunder is no longer required to maintain or assure the exemption from federal income tax of interest with respect to the Installment Purchase Agreement. The City and the Trustee agree to comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Installment Purchase Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Code, including the execution by such parties of any supplements to this Agreement. The City shall comply with, and will give instructions to the Trustee so as to assure compliance with, all requirements of Section 148 of the Code to the extent applicable to the Installment Purchase Agreement.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

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Section I

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Definitions

"Applicable Computation Date" means the Installment Computation Date or the Final Computation Date.

"Bond Year" means a one-year period beginning on the day after expiration of the preceding Bond Year. The first Bond Year shall begin on the date of the original delivery of the Installment Purchase Agreement and shall end one year later.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date Credit" means the amount of \$1,000 on the Applicable Computation Date. However, such term means -0- if the Computation Date is not an eligible computation date under Temp. Reg. §1.148-2T(b)(4)(iii).

"Computation Period" means each period from the date the Installment Purchase Agreement is issued through the Installment Computation Date on which a determination of the Rebate Amount is made.

"Constructive Payment" means the fair market value of an investment not purchased with Gross Proceeds of the Installment Purchase Agreement.

"Debt Service" on the Installment Purchase Agreement for any Bond Year means the scheduled amount of interest and amortization of principal for that Bond Year with respect to the Installment Purchase Agreement (excluding any amounts scheduled with respect to any obligation or portion thereof that has been retired before the beginning of the Bond Year).

"Disposition Receipt" means the fair market value of an investment that ceases to be allocated to the Installment Purchase Agreement other than by reason of a sale or retirement.

"Fair Market Value" of Investment Property means the fair market value of such Investment Property at the time (whether by acquisition or pledge) it becomes a Nonpurpose Investment.

"Final Computation Date" means, with respect to the Installment Purchase Agreement, the date the last installment payment that is part of the Installment Purchase Agreement is discharged.

"Future Value" means the future value as determined under Temp. Reg. §1.148-2T(c).

"Gross Proceeds" means Gross Proceeds as defined under Temp. Reg. §1.148-8T(d).

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"Imputed Receipt" means receipts imputed from a transaction under Temp. Reg. 1.148-5T.

"Indenture" means the Trust Agreement dated as of May 1, 1991 by and between the Seller and the Trustee.

"Installment Computation Date" means, with respect to an issue, the last day of the fifth and each succeeding fifth Bond Year.

"Installment Date Receipt" means the fair market value of all Nonpurpose Investments allocated to the Installment Purchase Agreement as of the close of business on an Installment Computation Date.

"Installment Purchase Agreement" means the Installment Purchase Agreement dated as of May 1, 1991 by and between the City and the Seller.

"Investment Property" means any security, obligation, annuity contract, or investment-type property.

"Issue Price" means the price at which a substantial amount of the Installment Purchase Agreement was sold to the public as provided in Exhibit A hereto.

"1986 Code" means the Internal Revenue Code of 1986, as amended.

"Nonpurpose Investment" means any Investment Property which is acquired with Gross Proceeds of the Installment Purchase Agreement and which is not acquired to carry out the governmental purpose of the Installment Purchase Agreement (i.e., all such Investment Property other than the Installment Purchase Agreement). In determining the Nonpurpose Investments in which the Gross Proceeds of the Installment Purchase Agreement are invested, Nonpurpose Investments not purchased with Gross Proceeds of the Installment Purchase Agreement may not be allocated to such Gross Proceeds.

"Nonpurpose Payments" means any payment with respect to an investment acquired out of Gross Proceeds of the Installment Purchase Agreement, including the Computation Date Credit and timely payments of the Rebate Amount.

"Nonpurpose Receipt" means any actual, constructive or imputed receipt with respect to a Nonpurpose Investment allocated to the Installment Purchase Agreement, including Disposition Receipts, Installment Date Receipts, and Rebate Receipts.

"Ordinance" means the Ordinance of the City adopted on April 6, 1990, as amended by the Ordinance of the City adopted on April 12, 1991.

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"Present Value" means the present value as defined under Temp. Reg. §1.148-2T(e) and 1.148-8T(b) (5).

"Rebate Amount" means with respect to the Installment Purchase Agreement, the amount computed as described in Section 2.2 hereof.

"Rebate Fund" means the fund required to be established pursuant to Section 2.1 hereof.

"Rebate Receipts" means any recovery of overpayment of the Rebate Amount.

"Regulations" means the Income Tax Regulations promulgated under Section 148 of the Code by the Department of the Treasury.

"Yield" means the yield on the Installment Purchase Agreement computed under Temp. Reg. 1.148-3T.

Section II

Rebate Requirements

Section 2.1 Establishment of Rebate Fund. There has been established with the Trustee pursuant to Section 406(a) of the Indenture a special trust fund to be designated the "Rebate Account" (the "Rebate Fund") which will be held, invested, expended and accounted for in accordance with this Agreement.

Moneys in the Rebate Fund shall not be considered moneys held under the Indenture and shall not constitute part of the trust estate held for the benefit of the owners of the Installment Purchase Agreement or the City. Moneys in the Rebate Fund shall be held in trust by the Trustee and shall be held for future payment to the United States of America as directed by the City and required by the Regulations and as contemplated under the provisions of this Agreement.

Section 2.2 Calculation of Rebate Amount. Section 148(f) of the Code requires the payment to the United States of (a) the excess of (i) the aggregate amount earned from the date hereof on the investment of Gross Proceeds in Nonpurpose Investments (other than amounts attributable to such excess) over (ii) the amount that would have been earned on such Nonpurpose Investments had the amount so invested been invested at a rate equal to the Yield on the Installment Purchase Agreement, plus (b) any income attributable to such excess.

To meet this rebate requirement the City shall take the following actions consistent with the Rebate Regulations promulgated under Section 148 of the Code:

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- (A) To the extent the Trustee has any moneys on deposit with it, for each investment of Gross Proceeds, the Trustee will cause to be mailed to the City a statement and the City will record the purchase date of such investment, its purchase price, its Fair Market Value, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such statements shall include the purchase date, the interest rate, the purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date.
- (B) For each Computation Period specified in paragraph (C) below, the City shall compute the Yield on the Installment Purchase Agreement.
- (C) With respect to each Computation Period, the City will determine the amount of Nonpurpose Receipts, and will determine the Future Value of all Nonpurpose Receipts as of the Applicable Computation Date.
- (D) With respect to each Computation Period, the City will determine the amount of Nonpurpose Payments and will determine the Future Value of all Nonpurpose Payments as of the Applicable Computation Date.
- (E) Notwithstanding anything in this Agreement to the contrary, any amount earned during a Bond Year on any bona fide debt service funds and amounts earned on such amounts, if allocated to such bona fide debt service funds, shall not be taken into account in calculating the Rebate Amount if the gross earnings on all such bona fide debt service funds for such Bond Year is less than \$100,000. For purposes of this paragraph (D), the term "gross earnings" means the aggregate amount earned on the Nonpurpose Investments in which the Gross Proceeds deposited to the bona fide debt service fund are invested, including amounts earned on such amounts if allocated to the bona fide debt service fund.
- (F) For each Computation Period specified in paragraph (C) above, the City will calculate the Rebate Amount, an amount (to be rounded down to the nearest \$100) equal to the sum of all amounts determined in paragraph (C), less the amounts determined in paragraph (D) (which amount may be equal to but shall not be less than \$0.00); less the amount which has previously been paid to the United States pursuant to Section 2.3 below. All computations and determinations with respect to the Rebate Amount shall be made on the basis of actual facts as of the Applicable Computation Date.

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(G) For each Computation Period specified in paragraph (C), and within 15 days of the end of the Computation Period, the City will compute the Rebate Amount as of the Applicable Computation Date. If the Rebate Amount exceeds the amount on deposit in the Rebate Fund, the City will deposit or direct the Trustee to deposit from amounts held by the Trustee as investment income an amount in the Rebate Fund such that the balance in the Rebate Fund after such deposit equals the Rebate Amount. If the City has not provided evidence of such computation and a direction to the Trustee by such fifteenth day, the Trustee shall retain Bond Counsel or such other nationally recognized accounting or law firm that is expert in making such calculations to compute the Rebate Amount within 25 days of the end of the Computation Period, and make the necessary deposit described in the preceding sentence. If the amount in the Rebate Fund exceeds the Rebate Amount, the City may by written direction to the Trustee withdraw such excess amount provided that such withdrawal can be made without liquidating investments at a loss. In any event if the Trustee retains Bond Counsel or such other nationally recognized accounting or law firm to compute the Rebate Amount, the City shall indemnify and pay for all reasonable costs, fees and expenses of the Trustee as provided for in Section 4.1 hereof.

(H) For the purpose of calculation of the Rebate Amount the yield on the Installment Purchase Agreement is 8.039607% per annum.

(I) The City intends that all of the original Proceeds will be expended on or before December 25, 1991.

Section 2.3 Payment to United States of America.

(A) The Trustee at the direction of the City and, if necessary, the City will pay to the United States, not later than 60 days after the Installment Computation Date at least 90 percent of the Rebate Amount as of each Installment Computation Date.

(B) The Trustee at the direction of the City and, if necessary, the City will pay to the United States, no later than the date required under Temp. Reg. §1.148-1T(b)(3), all of the Rebate Amount as of the Final Computation Date and any Income attributable to such rebatable arbitrage within the meaning of the Temp. Reg. §1.148-1T(b)(2).

(C) If the City does not otherwise pay, the Trustee will mail each payment to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Each payment shall be accompanied by the copy of the Information Report form 8038-T if the payment is fixed after such form has been made generally available filed with respect to the Installment Purchase Agreement and a statement summarizing the determination of the Rebate Amount.

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Section 2.4 Recordkeeping. In connection with the rebate requirement the Trustee will maintain the following records:

- (A) Records of the determinations made pursuant to Section 2.2 of this Agreement until six years after the retirement of the last installment payment.
- (B) Records of all amounts paid to the United States pursuant to Section 2.3 of this Agreement.
- (C) Records to support compliance with Section 2.5 of this Agreement.

Section 2.5 Imputed Receipts. The City and the Trustee will not enter into any Non-Purpose Investment that does not bear interest at an arm's length interest rate. Until such time as further regulations are promulgated defining what constitutes an imputed Receipt, the City shall comply with Temp. Reg. §1.103-15AT(d)(6) (published 1985). For example, neither the City nor the Trustee shall purchase any Nonpurpose Investment for an amount in excess of the fair market value of such Nonpurpose Investment. Whether a Nonpurpose Investment for which there is an established market is purchased or sold for an amount in excess of its fair market value shall be determined in accordance with Regulation §1.103-13(c)(1)(iii)(B). The purchase of a United States Treasury obligation directly from the United States shall be treated as acquired for an amount not in excess of its fair market value. The fair market value of a Nonpurpose Investment may be established by the borrowing practice of the issuer of the Nonpurpose Investment, as, for example, by determining the fair market value based on the interest ordinarily paid by such issuer to persons other than governmental units with respect to obligations of comparable maturities. The fair market value of a time or demand deposit shall be determined under the preceding sentence by taking into account the yield that would be paid by the obligor if the deposit were held as an interest bearing deposit for the expected period of the deposit, except that if the yield actually paid is higher than such yield the fair market value shall be the amount of the deposit. If the Trustee invests any of the Gross Proceeds in certificates of deposit or pursuant to an investment contract, the City will deliver or the Trustee otherwise will obtain certifications with respect to an investment contract, and otherwise comply with the provisions of Regulation §1.103-15AT(d)(6)(ii)-(iii).

Section III

Investment Limitation

Section 3.1 150 Percent Limitation on Nonpurpose Investments.

- (A) Section 148(d)(3) of the Code requires that the aggregate amount of Gross Proceeds invested at any time

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during any Bond Year in Nonpurpose Investments with a Yield in excess of the Yield on the Installment Purchase Agreement be no greater than 150 percent of the Debt Service on the Installment Purchase Agreement for that Bond Year.

For purposes of the preceding sentence, the aggregate amount of Gross Proceeds of an issue invested in Nonpurpose Investments is determined without regard to Gross Proceeds which such Gross Proceeds are:

(i) invested for the initial temporary period provided in Regulation §1.103-14(b)(1) until needed for accrued interest or for the governmental purpose of the issue,

(ii) contributed to a bona fide debt service fund and invested no longer than 13-months from the date of receipt of such amounts,

(iii) invested during a 30-day temporary period from the date of receipt by the City or the Trustee if such amounts are Gross Proceeds because they are accumulated in a sinking fund, or

(iv) invested during a 1-year temporary period from the date of receipt if such Gross Proceeds are investment proceeds or earnings on other amounts treated as Gross Proceeds.

Section 148(d)(3) also requires that the aggregate amount of Gross Proceeds invested in Nonpurpose Investments with a Yield higher than Yield on the Installment Purchase Agreement must be reduced as the amount of outstanding installment payments is reduced. Thus, the aggregate amount of Gross Proceeds invested in Nonpurpose Investments at a Yield higher than the Yield on the Installment Purchase Agreement must be reduced within 30 days of any prepayment of the Installment Purchase Agreement that results in a reduction in annual Debt Service so that after the reduction the requirements of the immediately preceding paragraph are complied with.

Notwithstanding the foregoing, under certain circumstances Nonpurpose Investments are not required to be sold or disposed of at a loss. Nonpurpose Investments need not be sold or disposed of to comply with this Section 3.1 if the sale or disposition would result in the realization of a loss for federal income tax purposes that exceeds the Rebate Amount (determined without regard to such sale or disposition) at the time of such sale or disposition (excluding amounts previously paid to the United States) if a payment pursuant to Section 2.3 hereof were due at such time. This loss exception, however, shall not apply to the extent that other Nonpurpose Investments

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acquired with Gross Proceeds may be sold or disposed of without incurring a loss in excess of the Rebate Amount (determined without regard to such sale or disposition) that would be paid to the United States at the time of such sale or disposition if a payment under Section 2.3 hereof were due at such time. Additionally, this loss exception shall cease to apply 30 days after the last day of the first Computation Period ending thereafter on which the Nonpurpose Investment can be sold or disposed of without incurring a loss in excess of the Rebate Amount (determined without regard to such sale or disposition) that would be paid to the United States if a payment under Section 2.3 hereof were due at such time. For purposes of this loss exception, Nonpurpose Investments acquired with Gross Proceeds will not be treated as a single issue of obligations, and thus, blocks of Nonpurpose Investments acquired at different times, or with different interest rates or maturity periods for each block, will be treated as separate Nonpurpose Investments for purposes of this loss exception.

To comply with the requirements of Section 148(d)(3) of the Code as described in this Section 3.1(A), the City will take the actions described in Section 3.4(B)-(D) below.

(B) The City will monitor the investments for purposes of this Section 3.1 in accordance with the following rules:

(i) The determination of annual Debt Service on the Installment Purchase Agreement will be made on the first day of each Bond Year and on the date of any prepayment of the Installment Purchase Agreement that results in a reduction of annual Debt Service.

(ii) The Yield on a Nonpurpose Investment that is a Variable Rate Obligation shall be determined on the date the Nonpurpose Investment is acquired and on the first day of each Bond Year by assuming that the rate of interest will be the Weighted Average Rate of Interest for such Investment during the preceding one-year period (or portion thereof in which the Investment was outstanding); with respect to a Nonpurpose Investment purchased on its date of issue, the Yield for the first Bond Year shall be determined by assuming that the rate of interest will be the initial rate of interest for such Investment as determined under the prescribed formula on the date of issue (without regard to any fixed rate initially applicable to such Investment).

(iii) In determining the aggregate amount of Gross Proceeds invested in Nonpurpose Investments at a Yield in excess of the Yield on the Installment Purchase Agreement, each such Investment shall be valued at its Fair Market Value.