

PUBLIC BUILDING COMMISSION OF CHICAGO
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF COMMISSIONERS HELD ON NOVEMBER 14, 2006

The regular meeting of the Board of Commissioners of the Public Building Commission of Chicago was held at the Board Meeting Room, 2nd Floor, Richard J. Daley Center on November 14, 2006 at 2:30 P.M.

The following Commissioners were present:

Richard M. Daley, Chairman
Arthur M. Brazier
Adela Cepeda
Robert B. Donaldson
María N. Saldaña
Cynthia M. Santos
Samuel Wm. Sax
Gerald M. Sullivan

The following Commissioners were absent:

Michael W. Scott
John H. Stroger, Jr.

Also present were:

Montel M. Gayles

V. Alvarez
P. Baker
J. Brankin
B. Campney
B. Currie
E. Davis
H. Fantini
J. Fitzpatrick
A. Fredd
S. Fullertin
J. Gallagher
A. Garcia-Abner
J. Harmening
K. Holt

D. Jackson
E. Johnson
D. Lai
J. Manzi
A. Mark
J. Mark
L. Martinez
L. Neal
M. Pak
J. Plezbert
D. Randels
R. Rapacki
T. Richter
G. Rodriguez
O. Rodriguez
O. Ruffin
B. Sandner
C. Seay
A. Siegel
P. Spieles
J. Stein
G. Thompson
J. Valentin
J. Vanek

The meeting was called to order and the presence of a quorum was established.

The reading of the minutes of the October 3, 2006 annual meeting, which had previously been distributed, was dispensed with and upon motion duly made and seconded the minutes of said meeting were unanimously approved.

The Executive Director then called upon Paul Spieles, Director of Development, to present to the Board of Commissioners the summary report concerning Interim Change Orders to construction contracts, approved pursuant to Resolution No. 4416, in the net amount of \$4,826.00 for contracts contained in the attached Interim Change Order Report marked Exhibit "A".

He also presented for approval proposed Change Orders to various contracts not requiring an increase to the project budgets marked Exhibit "B". Liquidated damages assessed against various contracts marked Exhibit "C" were also reported. After

discussion and consideration and upon motion duly made and seconded, the following resolution was adopted:

RESOLUTION NO. 6986

BE IT RESOLVED by the Board of Commissioners of the Public Building Commission of Chicago that the Interim Change Orders contained in the document entitled "Interim Change Orders" attached to the minutes of this meeting and marked Exhibit "A" are hereby ratified and approved.

BE IT FURTHER RESOLVED by the Board of Commissioners of the Public Building Commission of Chicago that the Executive Director is hereby authorized to issue Change Orders and assess Liquidated Damages to contracts for various projects in the amounts indicated on the documents entitled "Change Orders" and "Liquidated Damages" and attached to the minutes of this meeting and marked Exhibit "B" and Exhibit "C", respectively.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

Then, the Executive Director presented to the Commissioners the Notice of Awards report. There were 8 items included on the notice of contracts awarded since the previous board meeting that were under \$25,000. The report was accepted and a copy of this report is attached hereto as Exhibit "D".

Next, Commissioner Donaldson presented a report regarding the Administrative Operations (AO) meeting held on November 2, 2006 which is summarized as follows:

- ◆ A report concerning interim change orders, proposed change orders and liquidated damages as follows:

Interim Change Order

Contract #1272, Cather School Campus Park, \$4,826.00

Change Orders

Contract #1272, Cather School Campus Park, (\$2,726.00); Contract #1281R2, Headstart Renovation Projects, (\$4,144.58); Contract #1325, Tarkington Elementary School, \$79,030.21; and Contract #1334, Albany Park School, \$9,411.14.

Liquidated Damages

Contract #1281R2 Headstart Renovation Projects, (\$31,640.39); and Contract #1308, Harold Washington College Renovation, (\$11,486.23).

The interim change order, change orders and liquidated damages reports were accepted.

- ◆ **Langston Hughes/Davis Elementary School** – In response to an inquiry by PBC's Board of Commissioners at the August 2006 board meeting, a communication from the Board of Education was presented clarifying the name of the Langston Hughes/Davis Elementary School project. It explained that the name for this project was derived from the two schools that will be replaced by the new school building. The final name will be determined by the Local School Councils for both schools prior to opening the new school building.
- ◆ **Professional Services Appointments** - Paul Spieles, Director of Development, recommended the appointment of Ardmore Associates, an MBE firm, to perform project close-out support services and Desman Associates as parking and traffic consultant for the 23rd District Police Station. Following discussion, the AO Committee approved the recommendations.
- ◆ **Legal Counsel Report** - Legal Counsel reported on relocation assistance claims in connection with land acquisition and pending litigation that will be discussed during the Executive Session at the November Meeting.
- ◆ **Proposed 2007 Meeting Schedule** – As new business, the proposed calendar for AO Committee meetings during 2007 was presented.
- ◆ **Proposed Additional Services** - The Committee concurred with the recommendation by the Director of Development to amend professional services agreements as summarized in the Proposed Professional Services Amendment Report attached as Exhibit "E".

The report of the Administrative Operations Committee was accepted.

Following consideration of the Administrative Operations Committee report, and upon motion duly made and seconded, the following resolution was adopted by the Board of Commissioners:

RESOLUTION NO. 6987

BE IT RESOLVED by the Board of Commissioners of the Public Building Commission of Chicago that the Executive Director is hereby authorized to issue amendments to Professional Services Agreements for various projects in the amounts indicated on the document entitled "Proposed Professional Services Amendment Report to the Administrative Operations Committee" and attached to the minutes of this meeting as Exhibit "E".

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

The next item presented to the Board of Commissioners for consideration of approval was the appointment of Ardmore Associates to provide professional services as Project Close-Out Support Consultant for a total fee not-to-exceed \$50,000 and a term of four (4) months beginning November 1, 2006 through February 28, 2007. After discussion and consideration and upon motion duly made and seconded, the following resolution was adopted.

RESOLUTION NO. 6988

BE IT RESOLVED that the Board of Commissioners of the Public Building Commission of Chicago does hereby approve the appointment of Ardmore Associates to provide professional services as consultant for Project Close-Outs for various projects for a fee not-to-exceed \$50,000 and the term of four (4) months beginning November 1, 2006 through February 28, 2007.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

The Executive Director next presented a report to the Board of Commissioners regarding projects currently in the closeout phase. The Commissioners were advised that 2 projects were in the closeout phase and included 1 City of Chicago project and 1 Chicago Public Schools project. The report was accepted.

The Board of Commissioners was next presented with consideration of approval of the appointment of Desman Associates as design consultant to provide professional services for the 23rd District Police Station project located at Halsted and Addison Streets for a basic fee of \$77,000 plus reimbursable expenses of \$5,000. After discussion and consideration and upon motion duly made and seconded, the following resolution was adopted.

RESOLUTION NO. 6989

BE IT RESOLVED that the Board of Commissioners of the Public Building Commission of Chicago does hereby approve the appointment of Desman Associates to provide professional services as design consultant for a fee of \$77,000 plus reimbursable expenses of \$5,000.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

The Executive Director next presented a report to the Board of Commissioners regarding the issuance, sale and delivery on October 25, 2006 of Building Refunding Revenue Bonds, Series 2006 (Chicago Transit Authority) in the principal amount of \$91,340,000.00 (the "2006 Bonds") on behalf of the Chicago Transit Authority. He advised the Commissioners that the bonds were purchased by Siebert, Brandford &

Shank & Co., LLC, Cabrera Capital Markets, Inc., Loop Capital Markets, LLC and M.R. Beal & Company. Proceeds of the 2006 Bonds will be used to advance refund currently outstanding Building Revenue Bonds, Series 2003 (Chicago Transit Authority) and pay costs related to the issuance of the 2006 Bonds. A copy of the Notification of Sale in connection therewith is attached hereto as Exhibit "F". The report was accepted.

The next item to be considered by the Board of Commissioners was to convene an Executive Session for the purpose of discussing relocation assistance in connection with the acquisition of real property for the new Fire Station Engine Company 70 project and the 9th District Police Station project under Section 2(c)5 of the Open Meetings Act and litigation involving UBM claims and mechanic's lien proceedings for the 8th District, 15th District and 17th District Police Station projects under Section 2(c)11 of the Open Meetings Act. Upon motion duly made and seconded, the following resolution was adopted:

RESOLUTION NO. 6990

BE IT RESOLVED that an Executive Session of the Board of Commissioners is hereby convened in order to discuss relocation assistance in connection with the acquisition of real property for the new Fire Station Engine Company 70 project and the 9th District Police Station project under Section 2(c)5 and litigation involving UBM under Section 2(c)11 of the Open Meetings Act.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

Legal Counsel, Anne Fredd, first presented to the Board of Commissioners in Executive Session consideration of approval of the proposed settlement of a relocation claim submitted by Lucky Spin Laundries, LLC, as successor to Spin Cycle LLC, for the properties located at 6014-30 N. Clark Street required for the new Fire Station Engine

Company 70 project and 3100-12 S. Halsted Street required for the new 9th District Police Station project. The Halsted Street facility contained 71 washers, 35 dryers, and one centrifuge. The Clark Street facility contained 56 washers and 28 dryers.

The Commissioners were advised the Clark Street property was acquired by Judgment for a total compensation of \$1,350,000 and PBC took possession of the property on March 3, 2004. The Halsted Street property was acquired by Judgment for a total compensation of \$1,300,000 and PBC took possession of the property on April 6, 2004.

Based on the information submitted by the tenant and the recommendation of PBC's relocation consultant, Annette Favia, Legal Counsel recommended approval of relocation benefits in the amount of \$184,254 for the Halsted Street property and \$158,881 for the Clark Street property for a total sum of \$343,135.00 payable to Lucky Spin Laundries, LLC, as successor to Spin Cycle LLC.

Next, Legal Counsel, Langdon Neal provided a report on the UBM claims and mechanic's lien proceedings involving the 8th District, 15th District and 17th District Police Station projects. Mr. Neal advised that UBM has filed claims seeking compensation for delays and extras for the three projects in the approximate amount of \$6.2 million. Joseph E. Manzi has reviewed the claims as construction consultant on behalf of PBC and recommended settlement amounts of \$2,756,814 million, as follows: 8th District Police Station \$1,088,881; 15th District Police Station \$935,154; and 17th District Police Station \$732,779. Legal Counsel explained that any payment to UBM must account for claims that have been made by various creditors of UBM including: Harris Bank; IRS; Surety; and subcontractors for the projects. Also, the Settlement Agreement provides that UBM may submit additional administrative claims within 21 days, PBC shall respond within 21 days thereafter. In case the parties are unable to agree to any such additional claims that UBM may file, UBM and PBC may pursue adjudication or other relief. Legal Counsel recommended approval of the proposed settlement amounts for the three stations as summarized above.

At the conclusion of the Executive Session, the meeting was reconvened and the following resolutions were adopted:

RESOLUTION NO. 6991

BE IT RESOLVED that the Board of Commissioners of the Public Building Commission of Chicago does hereby approve the settlement of the relocation claim by Lucky Spin Laundries, LLC, as successor to Spin Cycle LLC, for the property located at 6014-30 N. Clark Street for the sum of \$158,881 required for the new Fire Station Engine Company 70 project and 3100-12 S. Halsted Street for the sum of \$184,254 required for the new 9th District Police Station project, for total relocation assistance of \$343,135.

BE IT FURTHER RESOLVED that Legal Counsel and staff of the Commission are hereby authorized to execute such documents and undertake such action as may be necessary and appropriate in order to effectuate the settlement of the relocation claim approved by this Resolution.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

; and

RESOLUTION NO. 6992

BE IT RESOLVED that the Board of Commissioners of the Public Building Commission of Chicago does hereby approve the settlement of claims filed by UBM seeking compensation for delays and extras on three police station projects in the total amount of \$2,756,814 allocated as follows: 8th District Police Station, \$1,088,881; 15th District Police Station \$935,154; and 17th District Police Station, \$732,779.

BE IT FURTHER RESOLVED that the Executive Director and Legal Counsel are hereby authorized and directed to undertake such action and to execute such documents, upon approval by Legal Counsel as to

form and legality, as may be necessary and appropriate in order to effectuate this Resolution.

Commissioners voting in the affirmative:

Richard M. Daley, Arthur M. Brazier, Adela Cepeda,
Robert B. Donaldson, María N. Saldaña, Cynthia M. Santos,
Samuel Wm. Sax, Gerald M. Sullivan – 8

Commissioners voting in the negative:

None

There being no further business to come before the meeting, the meeting was adjourned.

Secretary

APPROVED:

Chairman

PUBLIC BUILDING COMMISSION OF CHICAGO

BOARD MEETING – November 14, 2006

INTERIM CHANGE ORDERS

**PUBLIC BUILDING COMMISSION
SUMMARY OF PROPOSED INTERIM CHANGE ORDERS
FOR PBC BOARD MEETING
November 14, 2006**

A	B	C	D	E	F = (D+E)	G	H = (F+G)	I = ((E+G)/D)
PROJECT	CONTRACT NUMBER	CONTRACTOR	ORIGINAL CONSTRUCTION CONTRACT	AMOUNT OF PREVIOUSLY APPROVED CHANGE ORDERS	ADJUSTED CONSTRUCTION CONTRACT WITH PREVIOUSLY APPROVED CHANGE ORDERS	PROPOSED CHANGE ORDERS FOR NOVEMBER	ADJUSTED CONSTRUCTION CONTRACT AFTER APPROVAL OF PROPOSED CHANGE ORDERS	ALL CHANGE ORDERS AS PERCENT OF THE ORIGINAL CONTRACT PRICE
Cather School Campus Park	1272	Carroll Seating Company	\$588,800.00	\$53,215.40	\$642,015.40	\$4,826.00	\$646,841.40	9.86%

**PUBLIC BUILDING COMMISSION OF CHICAGO
INTERIM CHANGE ORDER
CATHER SCHOOL CAMPUS PARK**

11/14/2006

**Carroll Seating Company
1835 W. Armitage Avenue
Chicago, IL 60622**

CHNG	BULL NUM	CONTRACT NUMBER	1272	
ORDR		ORIGINAL CONTRACT PRICE		\$588,800.00
NUM		APPROVED CHANGE ORDERS		\$53,215.40
ADJUSTED CONTRACT PRICE TO DATE				\$642,015.40

004	1272-009	Provide two (2) basketball poles with rectangular steel backboard (User Request).	\$4,826.00
-----	----------	---	------------

General Contractor has been terminated for default by the PBC.

TOTAL CHANGE ADDITION	\$4,826.00
-----------------------	------------

ADJUSTED CONTRACT PRICE AFTER APPROVAL	\$646,841.40
---	---------------------

CHECK ALL THAT APPLY:

This Interim Change Order

- Amount does not exceed \$50,000 or 5% of the total contract price, whichever is less.
- Covers an emergency condition involving a risk of danger to life or property.
- Covers an event or condition which would result in substantial additional costs to the Commission, or delays or other disruptions to the performance of the contract.
- Will result in benefits accruing to the user agency or the Commission or the citizens of the City of Chicago.

It has been determined that:

- The circumstances necessitating the change in performance was not reasonably foreseeable at the time the contract was signed.
- The change is germane to the original contract as signed.
- The change order is in the best interests of the Commission.

By: _____
Executive Director

Approved: _____
Chairman or Designee

Date

Date

Resolution Number _____

Date _____

PUBLIC BUILDING COMMISSION OF CHICAGO

BOARD MEETING – November 14, 2006

CHANGE ORDERS

**PUBLIC BUILDING COMMISSION
SUMMARY OF PROPOSED CHANGE ORDERS
FOR PBC BOARD MEETING
November 14, 2006**

A	B	C	D	E	F = (D+E)	G	H = (F+G)	I = ((E+G)/D)
PROJECT	CONTRACT NUMBER	CONTRACTOR	ORIGINAL CONSTRUCTION CONTRACT	AMOUNT OF PREVIOUSLY APPROVED CHANGE ORDERS	ADJUSTED CONSTRUCTION CONTRACT WITH PREVIOUSLY APPROVED CHANGE ORDERS	PROPOSED CHANGE ORDERS FOR NOVEMBER	ADJUSTED CONSTRUCTION CONTRACT AFTER APPROVAL OF PROPOSED CHANGE ORDERS	ALL CHANGE ORDERS AS PERCENT OF THE ORIGINAL CONTRACT PRICE
Cather School Campus Park	1272	Speedy Gonzalez Landscaping	\$588,800.00	\$58,041.40	\$646,841.40	\$6,775.00	\$644,115.40	9.39%
Renovations for Various Locations: Headstart (All Nations Development Center & First Church of Love)	1281R0002	G.F. Structures Corporation	\$878,590.50	\$296,090.99	\$1,174,681.49		\$1,170,536.91	33.23%
Tarkington Elementary School	1325	George Sollitt Construction Company	\$22,590,000.00	\$410,127.00	\$23,000,127.00	\$79,030.21	\$23,079,157.21	2.17%
Albany Park School	1334	Pacific Construction Services	\$19,380,100.00	\$287,594.49	\$19,667,694.49	\$6,411.14	\$19,677,105.63	1.53%

PUBLIC BUILDING COMMISSION OF CHICAGO

CHANGE ORDER

CP4-05 Cather School Campus Park

11/14/2006

Speedy Gonzalez Landscaping
10624 South Torrence Avenue
Chicago, 60617

CHNG	BULL	CONTRACT NUMBER	1272	
ORDR	NUM	ORIGINAL CONTRACT PRICE		\$588,800.00
NUM		APPROVED CHANGE ORDERS		\$ 58,041.40

ADJUSTED CONTRACT PRICE TO DATE				\$646,841.40
--	--	--	--	---------------------

005	1272-010a	Credit for concrete sidewalk work that was not installed.	(\$926.00)
005	1272-010b	Credit for benches & trash receptacles not installed.	(\$600.00)
005	1272-010c	Credit for portion of running track work not done.	(\$1,200.00)

TOTAL CHANGE ADDITION	(\$2,726.00)
------------------------------	---------------------

ADJUSTED CONTRACT PRICE AFTER APPROVAL	\$644,115.40
---	---------------------

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1272
Heretofore issued by the Public Building Commission.

All parties shall apply the change as indicated above.

Resolution Number _____

Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO
CHANGE ORDER
Renovations for Locations-Headstart
11/14/06

G.F. Structures Corporation
4655 West Arthington Street
Chicago, Illinois 60644

CHNG ORDR NUM	BULL NUM	CONTRACT NUMBER 1281R002 ORIGINAL CONTRACT PRICE APPROVED CHANGE ORDERS	\$ 878,590.50 \$ 296,090.99
		ADJUSTED CONTRACT PRICE TO DATE	\$1,174,681.49
004	99	Credit for unused portion of contingency fund for All Nations Development Center Renovation	(\$3,450.00)
004	024	Credit for unused portion of contingency fund for First Church of Love.	(\$694.58)
TOTAL CHANGE ADDITION			(\$4,144.58)
ADJUSTED CONTRACT PRICE AFTER APPROVAL			\$1,1178,826.07

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1281R002 heretofore issued by the Public Building Commission.
All parties shall apply the change as indicated above.
Resolution Number _____
Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO

CHANGE ORDER

New Construction of Tarkington Elementary School

11/14/2006

George Sollitt Construction Company
790 North Central Avenue
Wood Dale, Illinois 60191

CHNG	BULL	CONTRACT NUMBER	1325	
ORDR	NUM	ORIGINAL CONTRACT PRICE		\$22,590,000.00
NUM		APPROVED CHANGE ORDERS		\$410,127.00
ADJUSTED CONTRACT PRICE TO DATE				\$23,000,127.00
016	1325-126	Provide water lines to Air Conditioning Units. Water lines not shown on plumbing drawings in Contract Documents.(E&O-Omission) -		\$5,166.00
016	1325-135	Provide labor and materials for revisions and additions to details and corresponding steel during the shop drawing review process. The AOR modified detail references and added steel that was not indicated in the Contract Documents. (E&O-Omission) -		\$21,606.21
016	1325-137	Provide labor, materials and equipment to install an additional closure plate at the chiller well. During the steel shop drawing review, the structural engineer revised a dimension which was not coordinated with the architectural plans. The plate was required to ensure the roof warranty.(E&O-Omission) -		\$12,435.00
016	1325-140	Provide labor and materials to construct masonry partition walls in the Kindergarten Rooms. The Contract Documents did not indicate the type of wall and finishes expected for this detail.(E&O-Omission) -		\$3,774.00
016	1325-142	Provide labor and materials for installation of base finishes in room 190 and 191, and epoxy bases in rooms 185,188,192,194 and 196. The Contract Document did not show finishes in these rooms. (E&O-Omission) -		\$3,913.00
016	1325-143	Provide labor and materials to install a manual switch for Exhaust Hood in the kitchen area.The switch included in the Contract Documents had been previously installed on the third floor. (E&O-Error) -		\$1,237.00
016	1325-144	Provide labor and materials for installation of sweeps for all kitchen area and exterior doors.The Contract Documents did not include door sweeps which are required by the Chicago Department of Public Health.(E&O-Omission) -		\$1,801.00
016	1325-147	Provide labor and materials for range hood lighting feed in the kitchen area. The Contract Documents did not include a electrical feed for the range hood in the kitchen area. (E&O-Omission) -		\$2,506.00
016	1325-150	Provide labor and materials for installing additional light fixtures in the lobby. Also, provide labor and materials for the necessary re-circuiting due to adding these additional fixtures. The Contract Documents specified fixtures that were four feet long instead of eight feet long as shown on the architectural drawings.(E&O-Omissions) -		\$5,443.00
016	1325-151	Provide labor and materials to inspect all drains on the first floor of the school building. After the floor drains backed up a second time, it was requested that the contractor inspect each drain and provide evidence that they were clear. One drain was clogged with lead drippings and repaired at no charge. All other drains were clear.(Owner Directed) -		\$3,664.00
016	1325-153	Provide labor and materials for electrical power feeds to the CCTV cameras. The Contract Documents did not include an electrical feed on the electrical drawings.(E&O-Omission) -		\$15,583.00
016	1325-155	Provide credit for labor and materials for not providing electrical outlets and a box card reader. The General Contractor offered credit in lieu of implementing the work indicated in the Contract Documents.(Credit) -		(\$1,109.00)
016	1325-156	Provide materials to reinforce the louvers to meet the Chicago Building Code requirements for design wind load. The Contract Documents specified 20psf as opposed to the Chicago Building Code that requires a minimum of 25psf in wall and 30psf at corners wind loads.(E&O-Omission) -		\$968.00
016	1325-157	Provide credit for potential maintenance required due to installation of 19 field galvanized lintels.The Contract Documents specified that the lintels are to be shop galvanized. The General Contractor installed field galvanized lintels to maintain their construction schedule.(E&O-Omission) -		(\$4,250.00)

016	1325-159	Provide labor and materials to revise the power feed for EF-8. The electrical sheets in the Contract Document and the mechanical drawings conflicted. The electrical sheets specified that EF-8 should be 120V single phase power. However, the submittal and mechanical drawings correctly showed 208V three phase power. (E&O-Error) -	\$1,830.00
016	1325-160	Provide labor and materials to revise the connection for Domestic Pumps, HP-1 and HP-2. The Contract Document included a conflict between the panel feed and the pump. Revisions were required to utilize appropriate spare circuit breakers. (E&O-Error) -	\$4,463.00

TOTAL CHANGE ADDITION	\$79,030.21
ADJUSTED CONTRACT PRICE AFTER APPROVAL	\$23,079,157.21

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1325 heretofore issued by the Public Building Commission.

All parties shall apply the change as indicated above.

Resolution Number _____

Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO

CHANGE ORDER
Albany Park School
11/14/2006

Pacific Construction Services
33 W. Monroe Suite 2100
Chicago, Illinois 60603

CHNG	BULL	CONTRACT NUMBER	1334	
ORDR	NUM	ORIGINAL CONTRACT PRICE		\$19,380,100.00
NUM		APPROVED CHANGE ORDERS		\$287,594.49
ADJUSTED CONTRACT PRICE TO DATE				\$19,667,694.49
007	1334-032	Provide labor & material to install, (1.) New 1'-3"x 6"x 1/4" bent steel plate from the I-beam to the 6"x 6"x 5/16" steel angle spanning the masonry at detail 5/A6.5. (2.) New 5/16" bent steel plate extending to the composite metal panel framing. (3.) The 6"x 6"x 5/16" steel angle and the bent plate clip at the top of the framing. The Contract Documents did not include necessary bent steel plate and angle details for the Gymnasium Roof Framing.(E&O-Omission) -		\$3,281.00
007	1334-039	Provide labor & material to install stainless steel trim at pre-formed shower unit in Shower Room#135. The Contract Documents did not include the detail to trim the edge of the Shower in Room Number 135.(E&O-Omission) -		\$572.94
007	1334-042	Provide labor & material to install; (1.) Aluminum abrasive coated cover plate as an interior threshold extension on the raised Concrete Masonry Unit Curb of the installed threshold at Door D340 (Green Roof); (2.) Install Aluminum angle threshold extension at the exterior condition at Doors D340 (Green Roof) and D319B (Chiller Well); and (3.) provide exterior rated industrial caulk at material joints, potential moisture ingress areas and at potential traffic areas. The Thresholds at the Chiller Well and the Green Roof were not detailed in the Contract Documents. (E&O-Omission) -		\$383.11
007	1334-045	Provide labor and material to install plumbing chase (4" thk. CMU- Clear Space Plan Dimensions 6"x 28"x full height) in Room 129. Plumbing Chase for Room 129 was not identified in the Contract Documents.(E&O-Omission) -		\$808.25
007	1334-046	Tube Enclosure, install 3"x 3"x 5/16" steel angle at top of diffuser openings in vertical face of radiation units to span openings. Provide masonry strap anchors as identified in the Contract Documents, to provide lateral stability; (2.) At Dining Room Fin Tube Enclosure, install similar steel angles against face of exterior was to support top of masonry; and (3.) Install the specified Diffuser Grilles with 1" face frames to sit flush to top or flush to face of masonry. Anchor sub frames to masonry, and adhere face frames to masonry, with sealant. Miscellaneous supports were provided to ensure structural integrity for the masonry enclosure and aluminum grill frames.(E&O-Omission) -		\$3,697.66
007	1334-047	Provide labor & material to install Acoustical Ceiling Tile in Closet Room 116. As identified in RFI 247. The ceiling details for this closet were missing in the Contract Documents.(E&O-Omission) -		\$163.38
007	1334-053	Provide labor & material to install Wood Blocking at the Entry Vestibule at following locations: (1.) At East Edge, at the minimum thickness required. Install the blocking allowing accommodation for the scupper drainage;(2.) As required at the interior doors and frames; and (3.) As required at the North wall. The Contract Documents did not include the wood blocking details at the North/East edges, above the interior door frames along the canopy at the Vestibule entry. (E&O-Omission) -		\$504.80

TOTAL CHANGE ADDITION	<u>\$9,411.14</u>
ADJUSTED CONTRACT PRICE AFTER APPROVAL	\$19,677,105.63

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1334

heretofore issued by the Public Building Commission.

All parties shall apply the change as indicated above.

Resolution Number _____

Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO

BOARD MEETING – November 14, 2006

LIQUIDATED DAMAGES

PUBLIC BUILDING COMMISSION OF CHICAGO
NUMERICAL SUMMARY FOR LIQUIDATED DAMAGES
 11/14/06

CONTR.	PROJECT	CONTRACTOR	LIQUIDATED DAMAGES	ADJUSTED CONTRACT PRICE	COMMENTS	PAGE NO.
1281R2	Headstart Renovations-Variou Locations	G.F. Structures Corp.	\$ (31,640.39)	\$ 477,083.89	Liquidated Damages amount to be applied to Skill Builders	1
1308	Harold Washington College Renovation	Pacific Construction	\$ (11,486.23)	\$ 27,864,943.77		2
	TOTAL		\$ (43,126.62)	\$ 28,342,027.66		

Liquidated Damages
11/14/2006

Contractor: G.F. Structures Corp.				Pacific Construction			
Project: Headstart Renovation				H. Washington College Renovation			
Contract: 1281R2				1308			
% of contract value:				% of contract value:			
	Goal %	Achieved %	Amount Assessed		Goal %	Achieved %	Amount Assessed
WBE	5	15	\$0.00		5	16	\$0.00
MBE	29	30	\$0.00		25	26	\$0.00
% of total worker hours:				% of total worker hours:			
	Goal %	Achieved %	Amount Assessed		Goal %	Achieved %	Amount Assessed
City Residency	50	33	(\$13,104.48)		50	42	(\$11,486.23)
% of worker type hours:				% of worker type hours:			
	Goal %	Achieved %	Amount Assessed		Goal %	Achieved %	Amount Assessed
Minority:							
Journeyman	30	64	\$0.00		40	50	\$0.00
Apprentice	30	91	\$0.00		50	55	\$0.00
Laborer	30	69	\$0.00		50	94	\$0.00
Female:							
Journeyman	5	2	(\$7,202.01)		0	5	\$0.00
Apprentice	5	0	(11,333.90)		0	6	\$0.00
Laborer	5	6	\$0.00		0	0	\$0.00
Total assessed:			(\$31,640.39)				(\$11,486.23)
Adjusted contract amt:			\$477,083.89				\$27,864,943.77

PUBLIC BUILDING COMMISSION OF CHICAGO

CHANGE ORDER

renovations for various locations-Headstart

11/14/2006

G.F. Structures Corporation
4655 West Arthington Street
Chicago, Illinois 60644

CHNG	BULL	CONTRACT NUMBER	1281R0002	
ORDR	NUM	ORIGINAL CONTRACT PRICE		\$207,518.00
NUM		APPROVED CHANGE ORDERS		\$269,790.89
ADJUSTED CONTRACT PRICE TO DATE				\$477,308.89
005	1281R2-025	Assessed Liquidated Damages for various locations of Headstart. (Failure to meet economic opportunity goals). -		(\$31,640.39)

TOTAL CHANGE ADDITION	<u>(\$31,640.39)</u>
ADJUSTED CONTRACT PRICE AFTER APPROVAL	\$445,668.50

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1281R0002

heretofore issued by the Public Building Commission.

All parties shall apply the change as indicated above.

Resolution Number _____

Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

PUBLIC BUILDING COMMISSION OF CHICAGO

CHANGE ORDER
HWC-Interior Renovation
11/14/2006

Pacific Construction Services
33 W. Monroe Suite 2100
Chicago, Illinois 60603

CHNG	BULL	CONTRACT NUMBER	1308	
ORDR	NUM	ORIGINAL CONTRACT PRICE		\$20,925,304.00
NUM		APPROVED CHANGE ORDERS		\$6,951,126.00
				<hr/>
				ADJUSTED CONTRACT PRICE TO DATE
				\$27,876,430.00
014	1308-014	Failure to meet economic opportunity goals. (Owner Directed) -		(\$11,486.23)

TOTAL CHANGE ADDITION	<hr/>
	(\$11,486.23)
ADJUSTED CONTRACT PRICE AFTER APPROVAL	<hr/>
	\$27,864,943.77

All interested parties are hereby notified that the Change Order listed above shall apply to Contract No. 1308

heretofore issued by the Public Building Commission.

All parties shall apply the change as indicated above.

Resolution Number _____

Changes as specified above authorized for the Public Building Commission of Chicago by:

Reviewed By

Executive Director

Notice of Award
November 2006

Project Name	Service	Assigned	PM	PM	MA	EX	DIR	Firm	\$Total	Comments
8th District Police Station	Inspection services	R. Giderof	X	X	X	X	X	Design Consulting Engineers	\$19,497.50	
9th District Police Station	Alta survey	J. Gallagher	X	X	X	X	X	Chicago Guarantee Survey Company	\$16,887.00	
Area 2 Renovation	Scan & burn drawings to CD	J. Gallagher	X	X	X	X	X	Best Imaging Solutions	\$187.00	
	Modify PBC Portal to improve reporting of budget, schedule and monthly project progress									
PBCC Administration	Purchase one workstation	B. Campney	X	X	X	X	X	Enterpulse	\$20,700.00	
PBCC Administration	Purchase design software	B. Campney	X	X	X	X	X	System Solutions, Inc.	\$1,904.00	
PBCC Administration		B. Campney	X	X	X	X	X	CDW-G	\$5,686.93	
Rogers School Campus Park Columbus School Campus Park 12th District Police Station 7th District Police Station Westinghouse High School Fire Station E-121 Fire Station E-70	Printing construction documents	J. Valentin J. Gallagher R. Giderof	X	X	X	X	X	Cushing and Company	\$3,703.96	
	Furnish & install 4 project signs	J. Gallagher	X	X	X	X	X	Sign-A-Rama	\$2,482.00	

**Public Building Commission of Chicago
Proposed Amendment Report to the Administrative and Operations Committee -
November 2, 2006**

Amendment	Project	Consultant	Reason for the Proposed Amendment	Amount of the Proposed Amendment	Consultant's Fee including the Proposed Amendment Fee	Consultant's Fee including the Proposed Amendment Fee as a % of the Current Cost of Construction
1	Engine Company 18	Guajardo REC Architects (PS 658) AOR	This amendment represents incorporation of LEED and Lessons Learned into the drawings as well as coordination of lessons learned transfer document. This amendment also extends the original completion date of the contract from January 15, 2005 to April 30, 2009 (End of Commissioning Period).	\$58,840.00	\$333,875.00	5.1%
2	Engine Company 70	Bauer Latoza Studio Architects (PS 814) AOR	This amendment represents incorporation of Lessons Learned into the drawings for Engine 70. This amendment also extends the completion date to April 30, 2009 (End of Commissioning Period).	\$11,800.00	\$252,430.00	3.9%
3	Engine Company 102	Fox & Fox Architects (PS 658) AOR	This amendment represents the additional AOR services required for the incorporation of LEED, "Lessons Learned," and change in prototypical design, at 60% CD's to eliminate the original stand alone mechanical structure.	\$134,197.00	\$319,197.00	5.5%
4	Engine Company 121	Henneman Engineering, Inc. (PS 864E) LEED	DCAP amended the requirements of "Green Permit" application to include a "Green Narrative" prepared by the LEED Commissioning agent.	\$2,640.00	\$49,840.00	0.7%
5	Engine Company 18	Henneman Engineering, Inc. (PS 864A) LEED	DCAP amended the requirements of "Green Permit" application to include a "Green Narrative" prepared by the LEED Commissioning agent.	\$2,200.00	\$49,400.00	0.8%
6	Engine Company 70	Henneman Engineering, Inc. (PS 864B) LEED	DCAP amended the requirements of "Green Permit" application to include a "Green Narrative" prepared by the LEED Commissioning agent.	\$2,200.00	\$49,400.00	0.8%
7	Engine Company 102	Henneman Engineering, Inc. (PS 864C) LEED	DCAP amended the requirements of "Green Permit" application to include a "Green Narrative" prepared by the LEED Commissioning agent.	\$2,200.00	\$49,400.00	0.9%

**Public Building Commission of Chicago
Proposed Amendment Report to the Administrative and Operations Committee -
November 2, 2006**

Amendment	Project	Consultant	Reason for the Proposed Amendment	Amount of the Proposed Amendment	Consultant's Fee including the Proposed Amendment Fee	Consultant's Fee including the Proposed Amendment Fee as a % of the Current Cost of Construction
8	7th District Police Station	VOA (PS 623) AOR	As a result of the "Lessons Learned" initiative, the Furniture Systems layouts were reevaluated and a LEED certified product was substituted for the current system. This change will be incorporated into the future stations.	\$50,000.00	\$903,012.50	5.8%
9	9th District Police Station	Wight & Company (PS 954) AOR	This amendment represents preparation of PD Submittal, including documents and misc. presentation material. In addition, this amendment includes incorporation of Lessons Learned items and specialty consultant coordination.	\$56,475.00	\$782,475.00	4.0%
10	Miles Davis School	Ilekis (PS 711) AOR	This amendment represents survey services.	\$3,550.00	\$1,128,580.00	7.0%

**NOTIFICATION OF SALE OF
\$91,340,000
PUBLIC BUILDING COMMISSION OF CHICAGO
BUILDING REFUNDING REVENUE BONDS,
SERIES 2006 (CHICAGO TRANSIT AUTHORITY)**

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

TO: PUBLIC BUILDING COMMISSION OF CHICAGO

Please be advised that responsive to authority contained in a resolution adopted by the Board of Commissioners of the Public Building Commission of Chicago (the "*Commission*"), on October 3, 2006 (the "*Bond Resolution*"), and entitled:

RESOLUTION authorizing and providing for the issue of not to exceed \$125,000,000 Public Building Commission of Chicago, Building Refunding Revenue Bonds, Series 2006 (Chicago Transit Authority) for the purpose of refunding certain Building Revenue Bonds, Series 2003 (Chicago Transit Authority) of the Commission, and providing for the payment of said Series 2006 Bonds, and related matters.

authorizing the issuance of Building Refunding Revenue Bonds, Series 2006 (Chicago Transit Authority), of the Commission in a principal amount not to exceed \$125,000,000 (the "*Bonds*"), a contract for the purchase of \$91,340,000 in aggregate principal amount of the Bonds was awarded by me as the Executive Director of the Commission, to the purchasers thereof named in the Bond Purchase Agreement, dated October 17, 2006 (the "*Bond Purchase Agreement*"), at a price of \$99,316,836.95. Said purchase price reflects an underwriting discount of \$567,210.35 and original premium of \$8,544,047.30. The underwriters named in the Bond Purchase Agreement are Siebert, Brandford & Shank & Co., LLC, Cabrera Capital Markets, Inc., Loop Capital Markets, LLC and M.R. Beal & Company.

The Bonds will be issued pursuant to the Bond Resolution. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Bond Resolution.

The Bonds are "Additional Bonds" pursuant to the terms of the Series 2003 Bond Resolution.

The Refunded Bonds selected for redemption are described as follows:

**PUBLIC BUILDING COMMISSION OF CHICAGO
BUILDING REVENUE BONDS, SERIES 2003
(CHICAGO TRANSIT AUTHORITY)**

Original Principal Amount: \$119,020,000
 Dated: March 31, 2003
 Originally Due Serially: March 1, 2005-2023
 Amount Refunded: \$111,120,000

Bonds refunded more fully described as follows:

YEAR	AMOUNT (\$) ORIGINAL BONDS DUE	RATE OF INTEREST (%)	AMOUNT (\$) REFUNDED
2007	4,250,000	5.000	4,250,000
2008	4,500,000	5.000	4,500,000
2009	4,620,000	5.000	4,620,000
2010	5,000,000	5.000	5,000,000
2011	5,150,000	5.000	5,150,000
2012	5,500,000	5.000	5,500,000
2013	5,600,000	5.000	5,600,000
2014	5,850,000	5.250	5,850,000
2015	6,350,000	5.250	6,350,000
2016	6,700,000	5.250	6,700,000
2017	7,000,000	5.250	7,000,000
2018	7,350,000	5.250	7,350,000
2019	7,800,000	5.250	7,800,000
2020	8,200,000	5.250	8,200,000
2021	8,600,000	5.250	8,600,000
2022	9,100,000	5.250	9,100,000
2023	9,550,000	5.250	9,550,000

The Escrow Agreement shall be dated as of October 25, 2006.

The Bonds are dated October 25, 2006, which is the date of issuance, and become due serially on March 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR	PRINCIPAL AMOUNT	RATE PER ANNUM
2007	\$2,375,000	4.500%
2008	1,790,000	4.000%
2009	1,880,000	4.000%
2010	1,955,000	4.000%
2011	2,035,000	4.000%
2012	2,115,000	4.000%
2013	2,205,000	4.000%
2014	2,295,000	4.250%
2015	2,405,000	5.000%
2016	2,530,000	5.000%
2017	2,660,000	5.000%
2018	2,785,000	4.250%
2019	2,915,000	5.000%
2020	3,065,000	5.000%
2021	3,225,000	5.000%
2022	3,390,000	5.000%
2023	3,565,000	5.250%
2024	3,760,000	5.250%
2025	3,960,000	5.250%
2026	4,175,000	5.250%
2027	4,400,000	5.250%
2028	4,635,000	5.250%
2029	4,890,000	5.250%
2030	5,150,000	5.250%
2031	5,430,000	5.250%
2032	5,720,000	5.250%
2033	6,030,000	5.250%

The Bonds maturing on March 1 of the years 2018 through and including 2022 are subject to redemption at the option of the Commission, which shall be exercised upon the written request of the CTA, in whole or in part, on any date on or after March 1, 2017, in any order of maturity designated by the Commission, in integral multiples of \$5,000, at the redemption price of par plus accrued interest thereon to the date fixed for redemption.

The Bonds are not subject to mandatory redemption prior to maturity.

Amalgamated Bank of Chicago, Chicago, Illinois is hereby designated and appointed as Trustee and Bond Registrar (and paying agent) for the Bonds. Amalgamated Bank of Chicago, Chicago, Illinois is hereby designated and appointed as Escrow Agent for the Refunding of the Refunded Bonds.

As described in the Bond Resolution, the Bonds are being issued for the purpose of financing costs of the Refunding and paying costs related to the issuance of the Bonds, including

the premium for the Municipal Bond Insurance Policy. The net proceeds, including accrued interest (if any), of the sale of the Bonds, together with moneys in the Sinking Fund Account, Bond Reserve Account, Construction Fund and PBC Administrative Fee Fund (as such terms are defined in the Series 2003 Bond Resolution) shall be applied under the Bond Resolution as follows:

(A) \$-0-, representing accrued interest shall be deposited into the 2006 Sinking Fund Account;

(B) \$6,346,575.00, representing the Reserve Requirement shall be deposited into the 2006 Bond Reserve Account, all of which amount shall be transferred from the Bond Reserve Account held and maintained for the Series 2003 Bonds;

(C) \$345,022.59 shall be deposited into the 2006 Expense Fund, along with the amount (consisting of investment earnings in the Sinking Fund Account, the Construction Fund and the PBC Administrative Fee Fund from October 17, 2006 through and including October 25, 2006) as specified in Exhibit A to the Tax Exemption Certificate and Agreement (the "*Tax Certificate*"), dated as of October 25, 2006, by and among the Commission, the CTA and the Trustee;

(D) \$955,521.74 shall be used to pay the premium for the Municipal Bond Insurance Policy;

(E) \$116,598,609.91 shall be deposited into the Escrow Account, of which amount (i) \$98,016,292.62 shall be derived from the net proceeds of the Bonds, (ii) \$13,821,409.59 shall be transferred from the Construction Fund, (iii) \$1,227,978.22 shall be transferred from the Sinking Fund Account, (iv) \$3,531,050.00 shall be transferred from the Bond Reserve Account and (v) \$1,879.48 (representing investment earnings in the PBC Administrative Fee Fund as of October 16, 2006 and net of the fifth and final installment of the PBC Administrative Fee [as defined in the Series 2003 Bond Resolution] to be made on October 25, 2006 pursuant to the terms of the Lease) shall be transferred from the PBC Administrative Fee Fund; and

(F) \$4,086,048.21 shall remain in the Construction Fund and applied as described in the Tax Certificate.

It is hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon the sale of the Bonds exceed the maximum rate authorized by the Bond Resolution nor the maximum rate otherwise authorized by applicable law and that no person holding any office of

the Commission either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Bond Purchase Agreement.

The Bonds will be insured by a financial guaranty insurance policy issued by Ambac Assurance Corporation ("*Ambac Assurance*"), a Wisconsin-domiciled stock insurance company, insuring the payment when due of principal of and interest on the Bonds. For purposes of the Bond Resolution, Ambac Assurance constitutes a Bond Insurance Company and the Financial Guaranty Insurance Policy constitutes a Municipal Bond Insurance Policy. As described in Article 18 of the Bond Resolution, the undersigned is authorized to approve such usual and reasonable terms and provisions related to the Municipal Bond Insurance Policy. The undersigned hereby approves the provisions enumerated in Section 1.1 through Section 1.10 hereof. For purposes of Section 1.1 through Section 1.10 hereof, the term "Resolution" shall mean, collectively, the Bond Resolution and this Notification of Sale.

Section 1.1. Consent of Ambac Assurance. Subject to Section 1.9 hereof, any provision of the Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance thereunder without the prior written consent of Ambac Assurance.

Section 1.2. Consent of Ambac Assurance in lieu of Bondholder Consent. Unless otherwise provided in this Section, and subject to Section 1.9 hereof, Ambac Assurance's consent shall be required in lieu of Bondholder consent, when required, for the following purposes:

(a) execution and delivery of any supplemental Resolution or any amendment, supplement or change to or modification of the Lease;

(b) removal of the Trustee (or paying agent) and selection and appointment of any successor trustee (or paying agent); and

(c) initiation or approval of any action not described in (a) or (b) above which requires Bondholder consent;

provided, however, that Ambac Assurance's consent is required in addition to (rather than in lieu of) the consent of all of the Bondholders for modifications or amendments requiring the consent of all of the Bondholders.

Section 1.3. Consent of Ambac Assurance in the Event of Insolvency. Any reorganization or liquidation plan with respect to the Commission must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Bondholders absent a default by Ambac Assurance under the Financial Guaranty Insurance Policy or other events listed in Section 1.9 hereof.

Section 1.4. Consent of Ambac Assurance upon Default. Anything in the Resolution to the contrary notwithstanding, but subject to Section 1.9 hereof, upon the occurrence and continuance of an "event of default" as defined in the Bond Resolution, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under the Resolution.

Section 1.5. Notices to Ambac Assurance.

(a) *Notices to Be Sent to the Attention of the Surveillance Department.* While the Financial Guaranty Insurance Policy is in effect, the Commission or the Trustee, as appropriate, shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated):

(i) as soon as practicable after the filing thereof, a copy of any financial statement of the Commission and a copy of any audit and annual report of the Commission; and

(ii) such additional information it may reasonably request.

A copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Resolution relating to the security for the Bonds.

(b) *Notices to Be Sent to the Attention of the General Counsel Office.* The Trustee shall notify Ambac Assurance of any failure of the Commission to provide relevant notices or certificates.

Notwithstanding any other provision of the Resolution, but subject to Section 1.9 hereof, the Trustee or CTA shall

immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default under the Resolution.

(c) *Other Information to be Given to Ambac Assurance.* The Commission will permit Ambac Assurance to discuss the affairs, finances and accounts of the Commission or any information Ambac Assurance may reasonably request regarding the security for the Bonds with appropriate officers of the Commission. The Commission will permit Ambac Assurance to have access to the Project and have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

Ambac Assurance shall have the right to direct an accounting at the Commission's expense, and the Commission's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under the Resolution; *provided, however,* that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

Section 1.6. Defeasance. Notwithstanding anything in the Resolution to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by Ambac Assurance pursuant to the Financial Guaranty Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Commission, and all covenants, agreements and other obligations of the Commission to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

Section 1.7. Payment Procedures Pursuant to the Financial Guaranty Insurance Policy. As long as the Financial Guaranty Insurance Policy shall be in full force and effect, the Commission, the Trustee (and any paying agent) agree to comply with the following provisions:

(a) At least one (1) day prior to all interest payment dates the Trustee (or paying agent, if any) will determine whether there will be sufficient funds in the funds and accounts to pay the principal of or interest on the Bonds on such interest payment date. If the Trustee (or paying agent, if any) determines that there will be insufficient funds in such funds or accounts, the Trustee (or paying agent, if any) shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Trustee (or paying agent, if any) has not so notified Ambac Assurance at least one (1) day prior to an interest payment date, Ambac Assurance will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Trustee (or paying agent, if any).

(b) The Trustee (or paying agent, if any) shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "*Insurance Trustee*"), the registration books of the Commission maintained by the Trustee (or paying agent, if any) and all records relating to the funds and accounts maintained under the Resolution.

(c) The Trustee (or paying agent, if any) shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) The Trustee (or paying agent, if any) shall, at the time it provides notice to Ambac Assurance pursuant

to (a) above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Trustee (or paying agent, if any), and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Bonds for payment thereon first to the Trustee (or paying agent, if any), who shall note on such Bonds the portion of the principal paid by the Trustee (or paying agent, if any), and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee (or paying agent, if any) has notice that any payment of principal or interest on a Bond which has become due for payment and which is made to a holder by or on behalf of the Commission has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee (or paying agent, if any) shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee (or paying agent, if any), shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee (or paying agent, if any),

and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under the Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee (or paying agent, if any) shall note Ambac Assurance's rights as subrogee on the registration books of the Commission maintained by the Trustee upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee (or paying agent, if any) shall note Ambac Assurance's rights as subrogee on the registration books of the Commission maintained by the Trustee (or paying agent, if any) upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

Section 1.8. Trustee-Related Provisions.

(a) The Trustee may be removed at any time, at the written request of Ambac Assurance, for any breach of the trust set forth in the Resolution.

(b) Ambac Assurance shall receive prior written notice of any Trustee resignation.

(c) Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the United States of America or the State of Illinois or the State of New York, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance. Any successor paying agent, if applicable, shall not be appointed unless Ambac Assurance approves such successor in writing.

(d) Notwithstanding any other provision of the Resolution, but subject to Section 1.9 hereof, in determining whether the rights of the holders will be

adversely affected by any action taken pursuant to the terms and provisions of the Resolution, the Trustee shall consider the effect on the holders as if there were no Financial Guaranty Insurance Policy.

(e) Notwithstanding any other provision of the Resolution, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to Ambac Assurance, shall be appointed.

Section 1.9. Rights of Ambac Assurance. All rights of Ambac Assurance under the Resolution, or any supplemental Resolution shall cease and terminate if: (i) Ambac Assurance has failed to make any payment under its Financial Guaranty Insurance Policy; (ii) the Financial Guaranty Insurance Policy shall cease to be valid and binding on Ambac Assurance or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by Ambac Assurance, or Ambac Assurance is denying further liability or obligation under the Financial Guaranty Insurance Policy; (iii) a petition has been filed and is pending against Ambac Assurance under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days after such filing; (iv) Ambac Assurance has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for Ambac Assurance under the insurance laws of any jurisdiction.

Section 1.10. Interested Parties.

(a) *Ambac Assurance as Third Party Beneficiary.* To the extent that the Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of the Resolution, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(b) *Parties Interested in the Resolution.* Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Commission, the CTA, the Trustee, Ambac Assurance, and the registered owners of the Bonds, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the CTA, the Trustee, Ambac Assurance, and the registered owners of the Bonds.

Respectfully submitted as of this 17th day of October, 2006.


Executive Director