



CITY OF CHICAGO  
RICHARD M. DALEY, MAYOR

## BILL OF SALE

**Auction Date:** Friday, January 13, 2006

**Lot Number:** 1

**Description of Lot:** Asphalt Batch Plant consisting of those items listed in Section IV of the attached Terms of Sale [collectively, "Equipment"]. The Equipment is located on Parcel #37, previously known as 2625 Hinsdale, Des Plaines, Illinois ["Premises"].

**Name of Seller:** The City of Chicago, a municipal corporation of the State of Illinois

**Name and address of Buyer:** PAL GROUP, INC.  
321 South Center Street  
Hillside, Illinois 60162

**Purchase Price:** Words: One Million, Eight Hundred Fifty Thousand and <sup>00</sup>/100 Dollars

Numbers: \$1,850,000.00

(Note: In addition, buyer has paid a five percent (5%) Buyer's Premium equal to \$92,500.00, which is refundable to Buyer as provided in the Terms of Sale.)

In consideration of the Purchase Price paid by Buyer, the receipt of which is hereby acknowledged by Seller, Seller does hereby grant, sell, and transfer the Equipment to Buyer, and Buyer shall remove the Equipment from the Premises, at Buyer's expense, subject to the terms and conditions of the Right of Entry executed by Buyer on the Auction Date.

Seller represents that it is the lawful owner of said Equipment; that, to the best of Seller's knowledge, the Equipment is free from all encumbrances; and that Seller has the right to sell the Equipment to Buyer. **Buyer acknowledges and agrees that the Equipment is otherwise sold to Buyer "as is," with no warranty, express or implied, including but not limited to any warranty of merchantability or fitness for a particular purpose.**


In witness whereof, the undersigned have set their hands, this 26th day of January, 2006.

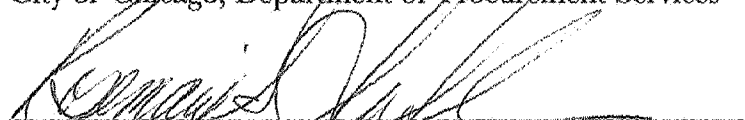
**Auctioneer**

  
\_\_\_\_\_  
Signature

JEFFREY P BROWN  
\_\_\_\_\_  
Jeffrey P. Brown  
Ace Auctioneers, Inc.

**Seller**

  
\_\_\_\_\_  
Barbara A. Lumpkin, Chief Procurement Officer  
City of Chicago, Department of Procurement Services

  
\_\_\_\_\_  
Rosemarie S. Andolino, Executive Director  
City of Chicago, O'Hare Modernization Program

**Buyer**

  
\_\_\_\_\_  
Signature

SAMUEL S. PALUMBO JR  
\_\_\_\_\_  
Printed Name

321 CENTER ST., HILLSIDE, IL 60162  
\_\_\_\_\_  
PAL GROUP, INC.

# **Special Equipment Auction – Sale of Asphalt Plant Terms of Sale**

**Plant Location: Parcel 37, and previously know as 2625 Hinsdale, Des Plaines, IL**

## **Part I – General Auction Terms**

**The auction is opened to the general public. However, City of Chicago employees and their relatives will not be permitted to bid.**

**THIS EQUIPMENT IS BEING SOLD “AS IS”, WITH NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**Bidders are required to submit a refundable bid deposit of \$10,000 in the form of cashier’s check, certified check or irrevocable bank letter of guarantee to the City of Chicago. The bid deposits of all but the successful bidder will be returned upon conclusion of bidding.**

**At the conclusion of bidding, the successful bidder must provide a non-refundable sale deposit of no less than 50% as earnest money and must execute a right of entry agreement in the form attached hereto. Earnest money must be in the form of cashier’s check, certified check or irrevocable bank letter of guarantee to the City of Chicago. Failure to provide such earnest money and/or execute such right of entry will result in forfeiture of the bid deposit as liquidated damages.**

**A 5% Buyer’s Premium will be added to the final sale amount, but will be refunded based on buyer meeting the equipment removal deadline listed below. Balance of sale amount, 5% Buyer’s Premium, and proof of insurance required by the right of entry agreement are due by 2:00 p.m., Tuesday, January 17, 2006. Only cashier’s check, certified check or irrevocable bank letter of guarantee to the City of Chicago will be accepted for the sale balance and Buyer’s Premium. If the successful bidder fails to provide sale balance and Buyer’s Premium by such date and time, the City may retain the earnest money as liquidated damages.**

**As provided in the right of entry agreement, the successful bidder is responsible for obtaining, at its expense, all applicable permits and licenses in accordance with local, state and federal laws and regulations in the dismantling and transportation of the plant.**

## Part II – Sale Documentation

The Bill of Sale will not be issued to the successful bidder until the funds have cleared the bank. Buyer will also be responsible for completing the Used Equipment Public Auction Affidavit attached hereto.

## Part III – Equipment Removal Terms

The deadline to remove the plant in its entirety is Saturday, February 11, 2006. If the bidder fails to meet this deadline, the City may retain the Buyer's Premium. If the bidder fails to remove the entire plant by February 18, 2006, the City may remove whatever portion of the plant that is remaining on the property and bidder will be responsible for the costs incurred by the City to dismantle, transport and store the plant equipment. In such event, the City shall not be responsible for any equipment damaged by such removal and, if the bidder has not made arrangements to pick up the equipment within 30 days, the bidder shall be deemed to have ceded ownership to the City. Thereafter, and the City may dispose of the equipment as the City deems reasonable and retain any proceeds therefrom. In the event such disposal results in net loss to the City, the bidder shall be responsible for such net loss.

## Part IV – List of Equipment

**350-400 TPH Triple-Drum, Counter flow, Dryer Drum, Portable Asphalt Plant**

**Items:**

**5-CMI 32-Ton bin Cold Feeds, Tri-Axle, Self Leveling, Hopper discharge conveyors and a collecting conveyor (Portable, Approx. 70' Long)**

**1-CMI 32-Ton Recycle Bin, Single-Axle (Portable, Approx. 20' Long)**

**1-CMI Triple Drum, Counter flow Dryer Drum, Chain-Drive, 150HP, 1800 RPM Motor, Self-erecting and leveling, Tri-Axle (Portable, Approx. 65' Long)**

**3-CMI 200 Ton Storage Silos**

**1-Approx. 125' x 9', Truck Scale**

**1-CMI Baghouse, 846 Bags, Tri-Axle, Self-Erecting (Portable, Approx. 55' Long)**

**2-CMI 30,000-Gallon AC Tanks, Twin-Axle (Portable, Approx. 60' Long)**

**1-CMI Mineral Filler Silo with dust return screw conveyor, Single-Axle (Portable, Approx. 50' Long)**

**1-CMI Drag Slat Conveyor**

**1-CMI- 10' x 12' Control Room, Single-Axle (Portable with Energy Center)**

**1-CMI Energy Center, Single-Axle (Portable with Control Room)**

**1-CMI Impulse Control Module and Software**

**1-CMI 1500, 1.5 Million BTU Main Burner, No. 02 Oil**

**2-CMI Self-Erecting Conveyor, Single-Axle (Portable, Approx. 40' Long)**

**1-CMI Surge Bin System, Triple-Axle, Self-Erecting (Portable, Approx. 55' Long)**

**Please note: The uninsulated fuel transport trailer ( IL. State License Plate 23298 ) is not being included in the sale of this Asphalt Plant.**

**All Portable components have Glad Hand Air Brake System. Based upon records delivered to the City by the prior plant owner, all portable components were purchased new in 1999 and installed in 2000. Plant has had minimum usage and has been IDOT certified.**

**The inventory description has been included to assist in identifying the multiple components of the Asphalt Plant. This list has been compiled from the information that is presently available to the City and is not warranted to be accurate. All interested parties are encouraged to inspect the Asphalt Plant to verify the accuracy of the described equipment list.**

#### **Part V – Dates of Inspection and Contact Information**

**Plant is available for inspection by appointment only on Wednesday, January 11 and Thursday, January 12, 2006 from 9:00 a.m. to 4:00 p.m.**

**Interested parties should contact Mr. William Trudeau at 773-557-4776 or 312-656-1913 to schedule an appointment to inspect the plant.**

**To pre-register for the auction please contact Ace Auctioneers at 773-583-3111. Pre-registration will end on Thursday, January 12, 2006 at 5:00 p.m. Bidders deciding to register the day of the auction are encouraged to arrive early to register on Auction day. Registration on auction day, Friday, January 13, 2006, will begin at 9:00 a.m. at the auction site, 8745 West Higgins Road, Room 360, Chicago, Illinois.**

**For additional information, contact Mr. Robert Schmidt at 773-557-4837.**

**This plant is being sold with a reserve.**

**RIGHT OF ENTRY AGREEMENT**  
**AT CHICAGO O'HARE INTERNATIONAL AIRPORT**  
**FOR REMOVAL OF ASPHALT BATCH PLANT**

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") is made and entered into as of this 13 day of January, 2006, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the 1970 Constitution of the State of Illinois ("City") and PAL GROUP, INC. ("Licensee").

**WITNESSETH**

**WHEREAS**, City owns and operates that certain airport located within the City and commonly known as Chicago O'Hare International Airport ("Airport"); and

**WHEREAS**, the Commissioner of Aviation of the City ("Commissioner") is authorized pursuant to an ordinance approved by the City Council of the City on March 11, 1998 (C.J.P. 63312-63314) to execute rights of entry with parties for entry upon Airport property;

**WHEREAS**, Licensee must enter onto property at the Airport known as Parcel #37 and previously known as 2625 Hinsdale, Des Plaines, Illinois ("Property"), for the purpose of dismantling and removing an asphalt batch plant purchased from the City by Licensee at an auction conducted on January 13, 2006 ("Plant"); and

**WHEREAS**, City is willing to allow Licensee to enter onto the Property such purpose upon the terms and conditions hereinafter provided; and

**WHEREAS**, City and Licensee acknowledge that the continued operation of the Airport as a safe, convenient and attractive facility is vital to the economic health and welfare of the City, and that the City's right to monitor performance under this Agreement by Licensee is a valuable right incapable of quantification;

**NOW, THEREFORE**, for and in consideration of the premises, the mutual covenants and agreements herein contained and other valuable consideration, the parties hereto covenant and agree as follows:

1. **Incorporation of Recitals.** The above recitals are hereby incorporated by reference as if fully set forth herein.
2. **License.** (a) For the period from the date of this Agreement until the Licensee has removed the Plant from the Property, but no later than February 11, 2006 (the "License Period"), Licensee and Licensee's Contractors (hereinafter defined) shall have a license to

enter upon the Property, or any portion thereof, in order to perform the tasks reasonably necessary to dismantle and remove the Plant; provided, however, that Licensee must first provide evidence of having obtained insurance required under this Agreement and must notify the City at least 24 hours prior to entry upon the Property. A "Contractor" includes any person or entity who is an employee, agent, contractor or subcontractor of Licensee whom Licensee has employed or intends to employ to provide services or perform work with respect to removing the Plant from the Property. All Contractors must be identified in writing to City, and must agree in writing to be bound by and to comply with the terms of this Agreement. Licensee shall be responsible for ensuring Contractors compliance with Licensee's obligations under this Agreement, and non-compliance by a Contractor shall be deemed to be non-compliance by Licensee. Licensee agrees that its activities while on the Property will be under inspection by representatives of the City, and Licensee shall follow any instructions of the Executive Director or her designee regarding access to the site.

(b) Licensee shall pay all costs, expenses and fees associated with the proposed use and shall obtain at its expense any and all permits required by any governmental unit for the dismantling, removal and transportation of the Plant from the Property.

(c) Licensee shall be responsible for any damage to Airport property caused by its dismantling and removal of the Plant and shall restore any damaged property to the same or better condition as existed prior to the damage.

(d) The Property is adjacent to the Airport and the equipment that Licensee uses to dismantle and remove the Plant is subject to height restrictions. No equipment shall be higher than 114 feet, and equipment may be required to bear flags, lights or other safety devices and/or may be required to be lowered or be idle at specific times as directed the Federal Aviation Administration.

(e) The Commissioner or the Executive Director may terminate this Agreement at any time by written notice if Licensee fails to comply with the terms and conditions herein.

3. **Time is of the Essence.** Licensee acknowledges and agrees that time is of the essence in removing the Plant from the Property and that failure of the Licensee (except for causes outside the control of the Licensee) to have fully removed all components of the Plant as identified in the auction documents by February 11, 2006, shall be cause for the City to retain the 5% Buyer's Premium paid in connection with the auction as liquidated damages.

4. **Confidentiality.** Except as required by law, Licensee shall not issue publicity news releases, grant press interviews, or disseminate any information regarding the Property or its intentions therewith without the prior written consent of the Commissioner. In the event that Licensee is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data, or documents which may be in Licensee's possession by reason of this Agreement, Licensee shall immediately give notice to the City and to the Corporation Counsel of the City, with the understanding that the City shall

have the opportunity to contest such process by any means available to it before such records or documents are submitted to a court or other third party, provided, however, that Licensee shall not be obligated to withhold such delivery beyond that time as may be ordered by a court or administrative agency of competent jurisdiction, unless the subpoena or request is quashed or the time to produce is otherwise extended.

5. **Insurance and Indemnity.** (a) Licensee shall comply with the insurance requirements set forth in Exhibit A hereto, which is hereby incorporated by reference as though fully set forth herein.

(b) The Licensee agrees to protect, defend, indemnify, and hold the City and its officers, officials, representatives, and employees (hereafter "the Indemnified Parties"), free and harmless from and against any and all claims, damages, demands, injury or death, in consequence of the granting of this right of entry or arising out of or being in any way connected with the Licensee's dismantling and removal of the Plant (including but not limited to any fines imposed by any governmental agency for environmental conditions caused by Licensee in dismantling and removing the Plant), except as otherwise provided in 740 ILCS 35. The indemnification provided herein will be effective to the maximum extent permitted by applicable law. This indemnity extends to all legal costs including without limitation: attorney fees, costs, liens, judgments, settlements, penalties, professional fees, or other expenses incurred by the City, including but not limited to, fines and penalties imposed by public bodies and the reasonable settlement of such claims. This indemnification is not limited by any amount of insurance required under this Agreement. Further, the indemnity contained in this section will survive the expiration or termination of this Agreement.

To the extent permissible by law, Licensee waives any limits to the amount of its obligations to indemnify, defend or contribute to any sums due under any losses, including any claim by an employee of Licensee that may be subject to the Workers Compensation Act, 820 ILCS 305/1 et seq or any other law or judicial decision (such as, *Kotecki v. Cyclops Welding Corporation*, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Pension Code.

Licensee shall be solely responsible for the defense of any and all claims, demands, or suits against the Indemnified Parties, including without limitation, claims by an employee, subcontractors, agents, or servants of Licensee even though the claimant may allege negligence on the part of the Indemnified Parties. The City will have the right, at its sole option, to participate in the defense of any such suit, without relieving the Licensee of its obligations hereunder.

"Injury" or "damage" as these words are used in this section will be construed to include, but shall not be limited to, injury or damage consequent upon the failure of or use or misuse by Licensee of any scaffolding, hoist cranes, stays, ladders, supports, rigging, blocking or any and all other kinds of items of equipment, whether or not the same be owned, furnished, or loaned by the indemnified Parties.



Licensee will promptly provide, or cause to be provided, to the Director and City Corporation Counsel copies of such notices as Contractor may receive of any claims, actions, or suits as may be given or filed in connection with the Licensee's removal of the Plant for which the Indemnified Parties are entitled to indemnification hereunder and to give the Indemnified Parties authority, information, and assistance for the defense of any claim or action.

6. **Compliance with All Laws.** Licensee must comply with all applicable federal, state and local laws, rules or regulations in connection with its activities under this Agreement. Contract provisions that are required to be included in this Agreement by any such law, rule or regulation shall be deemed included. Exhibit B, Environmental Matters, is hereby included by reference.

7. **Compliance with Airport Security Laws.** (a) This Agreement is expressly subject to 49 U.S.C. 44901 et seq., as amended from time to time, the provisions of which are hereby incorporated by reference, and all rules and regulations promulgated thereunder. Licensee shall, notwithstanding anything contained herein to the contrary, at no additional cost to City, perform under this Agreement in compliance with those guidelines developed by City and the FAA with the objective of maximum security enhancement.

(b) Licensee shall observe and obey all rules and regulations governing the conduct and operation of the Airport promulgated from time to time by City, County, state or federal authorities and, in particular, Licensee agrees at all times to comply with any master security plan and procedures for the Airport as may be established by City from time to time.

8. **Release.** Except for the City's liability for environmental conditions for which the City is the sole, direct and proximate cause, Licensee, on behalf of itself, its Contractors and any and all parties who enter onto the Property at Licensee's direction during the License Period (collectively, "Releasers"), do hereby release, acquit and forever discharge City, its officials, agents and employees, of and from any and all known and unknown causes of action, damages, liabilities, costs, expenses and claims and demands of whatsoever kind or nature which Releasers now have or may ever have against City, its officials, agents and employees on account of any and all known and unknown present or future injuries, losses and damages sustained or received or which may be sustained by Releasers or the property of Releasers occurring on, at or about the Property during the License Period.

9. **City's Approval.** Whenever City's approval or consent is required under this Agreement, City may withhold its approval or consent in its sole discretion. Except as expressly stated otherwise, all such approvals and consents of the City shall be made by the Executive Director of the O'Hare Modernization Program.

10. **License Only.** This Agreement creates a license only and Licensee acknowledges that Licensee does not and shall not claim at any time any real property interest or estate of any kind or extent whatsoever in the Property by virtue of this license or Licensee's use of the Property pursuant hereto.

11. **Exercise by City of Governmental Functions.** Nothing contained in this License shall impair the right of City in the exercise of its governmental functions including, without limitation, the right to require Licensee to produce necessary permits or licenses.

12. **Notices: Consents.** All consents and approvals shall be in writing (except as otherwise provided herein). All notices and other communications in connection with this Agreement shall be in writing and be sent by registered or certified mail, postage prepaid, addressed as follows and shall be deemed given when delivered personally or three (3) business days after mailing:

To the City:

Executive Director  
O'Hare Modernization Program  
30 North LaSalle Street, Room 1230  
Chicago, IL 60602

with copies to:

Corporation Counsel  
City of Chicago  
City Hall, Room 600  
121 N. LaSalle Street  
Chicago, IL 60602

To Licensee:

PAL GROUP, INC.  
321 CENTER STREET  
HILLSIDE, IL 60162  
\_\_\_\_\_

13. **Severability.** If any provision of this Agreement is deemed to be unenforceable by any court of competent jurisdiction, it shall not affect the enforceability of any other provision.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

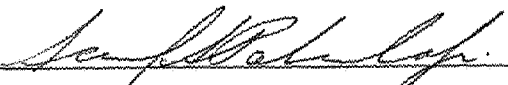
CITY OF CHICAGO

By:   
Commissioner of Aviation

APPROVED AS TO FORM AND LEGALITY:

  
~~Chief Assistant Corporation Counsel~~  
Senior

PAL GROUP, INC.  
LICENSEE

By: 

Name: SAMUEL S. PALUMBO, JR.

Title: PRESIDENT

## Exhibit A

### CONTRACT INSURANCE REQUIREMENTS

#### O'Hare Modernization Program

The Licensee must provide and maintain at Licensee's own expense, during the term of the Agreement and during any time period following expiration if Licensee is on premises for any reason under the Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

#### A. **INSURANCE TO BE PROVIDED**

##### 1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

##### 2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

##### 3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Licensee must provide Automobile Liability Insurance with limits of not less than \$5,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

##### 4) Property

Licensee is responsible for all loss or damage to City Property at full replacement cost

Licensee is responsible for all loss or damage to personal property (including but not limited to material, equipment, tools and supplies) owned, rented, or used by Licensee.

#### B. **ADDITIONAL REQUIREMENTS**

The Licensee must furnish the City of Chicago, O'Hare Modernization Program, 8755 W. Higgins, Suite 700, 60631, original Certificates of Insurance, or such similar evidence, to be

in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverage has an expiration or renewal date occurring during the term of this Agreement. The Licensee must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to Agreement award. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Licensee is not a waiver by the City of any requirements for the Licensee to obtain and maintain the specified coverages. The Licensee must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Licensee of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Licensee.

Licensee hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

If Licensee is a joint venture or a limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The coverages and limits furnished by Licensee in no way limit the Licensee's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Licensee under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

The Licensee must require all contractors to provide the insurance required herein, or Licensee may provide the coverages for contractors. All contractors are subject to the same insurance requirements of Licensee unless otherwise specified in this Agreement.

If Licensee or subcontractors desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

## Exhibit B Environmental Matters

Section 1 Defined Terms. The following terms, when used in the context of this exhibit, have the meanings set forth below:

*"Claim"* means any (a) demand, cause of action, proceeding, or suit for damages (actual or punitive); damages to natural resources; fines; penalties; interest; losses; costs of site investigations, feasibility studies, or information requests; contributions; or settlements; (b) actions to correct, remove, remediate, respond to, clean up, prevent, mitigate, monitor, evaluate, assess, or abate the release of a Hazardous Material; (c) any other investigative, enforcement, cleanup, removal, containment, remedial or other private or governmental or regulatory action at any time noticed, cited, instituted or completed pursuant to any applicable Environmental Law; (d) actions to enforce insurance, contribution, or indemnification agreements being made pursuant to a claimed violation or non-compliance with any Environmental Law; and (e) any claim at any time made by any person with respect to the Property or any condition, use or activity on the Property, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or in any way arising in connection with any Hazardous Material at the Property or any Environmental Law.

*"Environmental Law"* means any federal, state or local law, statute, ordinance, code, rule, regulation, license, authorization, decision, order, injunction, which pertains to health, safety, any Hazardous Material, or the environment (including but not limited to ground or air or water or noise pollution or contamination, and underground or above-ground tanks) and includes, without limitation, the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 *et seq.*; the Resource Conservation and Recovery Act ("*RCRA*"), 42 U.S.C. Section 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 *et seq.* ("*CERCLA*"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("*SARA*"); the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*, the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, the Gasoline Storage Act, 430 ILCS 15/0.01 *et seq.*; the Municipal Code of the City of Chicago; and any other local, state or federal environmental statutes, and all rules, regulations, orders and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

*"Hazardous Material"* means any substance, whether solid, liquid or gaseous; which is listed, defined or regulated as a "hazardous substance," "hazardous waste" or "solid waste," or otherwise classified as hazardous or toxic, in or pursuant to any Environmental Law; or which is or contains asbestos, radon, any polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, or motor fuel or other petroleum hydrocarbons.

"On" when used with respect to the Property or any property adjacent to the Property means "on, in, under, or above."

"Pre-Existing Condition" means a violation of Environmental Laws existing on the Property prior to the License Period.

"Release" or "Released" have the meanings set forth in CERCLA, including but not limited to any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of Hazardous Materials into the environment, as "environment" is defined in CERCLA.

"Response" or "Respond" mean action taken in compliance with Environmental Laws in response to the presence or Release of a Hazardous Material.

Section 2 Pre-Existing Conditions. The City is responsible for any Pre-Existing Conditions and the Licensee will have no obligation to Respond to a Pre-Existing Condition. In the event the Licensee becomes aware of a Pre-Existing Condition, it will immediately notify the City and will cease activities on the Property until the City can conduct an investigation.

Section 3 Environmental Matters During the Term of the License. (a) Licensee will be solely responsible for removing from the Property in accordance with applicable Environmental Laws any Hazardous Materials that may be part of the Plant.

(b) During the License Period the Licensee: (i) will at its own cost comply with all applicable Environmental Laws with respect to the Property and Licensee's activities thereon; (ii) will not handle, generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of (except as provided in (a)) or abandon Hazardous Materials or authorize any of such activities on the Property, including installation of any underground storage tanks; (iii) will not take any action that would subject the Property to permit requirements under RCRA or any other Environmental Laws for storage, treatment or disposal of Hazardous Materials; (iv) will not discharge Hazardous Materials into drains or sewers in violation of Environmental Law; (v) will not cause or allow the Release of any Hazardous Materials on, to or from the Property in violation of Environmental Law; (vi) will at its own cost arrange for the lawful transportation and off-site disposal at a properly permitted facility of all Hazardous Materials that it generates or Releases with respect to the removal of the Plant from the Property; (vii) will legally transport and dispose of all waste on the Property as a result of Licensee's operations; (viii) will keep such records and obtain such permits as may be required for the use of the Property under Environmental Laws; and (ix) will be solely responsible for protecting or causing the protection of the health and safety of all people working on behalf of Licensee at the Property. If the Licensee fails to comply with the foregoing, the Licensee will undertake such Response as may be necessary under applicable Environmental Law. During the License Period, the Licensee will be responsible with respect to any liability accruing to the City arising out of a violation of any of the foregoing provisions by Licensee's employees, contractors, suppliers and invitees.



(c) If during the License Period the presence of Hazardous Materials at the Property that is not a Preexisting Condition but was not caused by the Licensee, its employees, contractors, suppliers and invitees (i) gives rise to liability or to a Claim under any Environmental Law or (ii) violates Environmental Law, the Licensee will promptly notify City and cooperate in such Response as City may undertake in compliance with applicable Environmental Law.

Section 4 Copies of Notices. Each Party will provide the other with copies of all notices of Claims relating to the Property during the License Period.

Section 5 Environmental Indemnification. Without limiting the general indemnification provision of the Agreement, Licensee will defend, indemnify and save the City harmless from and against any and all Claims arising out of Environmental Law including, without limitation, environmental damages, attorneys' fees, court costs and disbursements, which may be imposed upon or incurred by or asserted against the City by reason of the Licensee's failure to comply with any Environmental Law with respect to the Property. These indemnification obligations shall survive the expiration or termination of this Agreement.

**City of Chicago  
Used Equipment Public Auction Affidavit**

**Section A: Definitions**

"Employee of the City of Chicago" means an individual employed by the City of Chicago, whether part-time or full-time, but excludes elected officials and City contractors.

"Person" means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

"Relative" means a person who is related to the person completing this document as spouse or domestic partner, or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister.

**Section B: Affidavit**

I, JR MUEL S. PALUMBA JR (print name), of \_\_\_\_\_  
PAL GROUP, INC (business name if applicable, and address)

under penalty of perjury, swear or affirm:

1. I have personal knowledge of the facts contained in this document and complete it truthfully and of my own free will.
2. I am submitting this document in connection with the City of Chicago Used Equipment Public Auction held on Friday, January 13, 2006, as the high bidder on the equipment shown on the bill of sale attached to this document.
3. I am not an employee of the City of Chicago or a relative of an employee of the City of Chicago.

4. I understand that some or all of the information provided in this document may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this document, I waive and release any possible rights or claims which I may have against the City in connection with the public release of information contained in this document and also authorize the City to verify the accuracy of any information submitted in this document.
5. I understand that by signing this document my signature will be kept on file and may be compared with City contracts, payments, reports, inventory or other documents.

SAMUEL S. PALUABO JR  
Print Name

  
Signature