AMENDMENT No. 1

This amendment ("Amendment No. 1") is made and entered into effective as of September 5, 2014 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Finance ("City"), at Chicago, Illinois and Van Wagner Communications, LLC, a New York Limited Liability Company ("Consultant"). The City and Consultant agree as follows:

BACKGROUND INFORMATION

WHEREAS, the City and Consultant have entered into an agreement for Consultant to act as a broker for (i) identifying and selecting parties for sponsorships related to the City’s bicycle sharing system and (ii) the sale of advertising on the Ad Panels (the “Services”) that are part of the bicycle sharing system (the “Agreement”);

WHEREAS, the City has committed certain exclusive sponsorship rights to Blue Cross Blue Shield of Illinois (“System Sponsor”) as part of a System Sponsorship, including exclusive rights in System Sponsor’s industry category;

WHEREAS, the City requires that Van Wagner, in the performance of the Services, honor Sponsor’s exclusive industry category rights;

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

TERMS AND CONDITIONS

1. In Section 2.1, the following definition is added:

"Health Insurance Category" means entities the primary business of which is health benefits administration or health insurance, including, but not limited to, the entities listed in Attachment A. City may from time-to-time specify in writing other companies that meet the category criteria, in addition to those specified on Attachment A.

2. Section 7.6 “Business Relationships with Elected Officials” is deleted in its entirety and replace with the following new Section 7.6:

"Pursuant to the Municipal Code of Chicago ("MCC") Sect. 2-156-030(b), it is illegal for any elected official, or any person acting at the direction of such official, to contact either orally or
in writing any other City official or employee with respect to any matter involving any person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. In addition, no elected official may participate in any discussion in any City Council committee hearing or in any City Council meeting or vote on any matter involving the person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. Violation of MCC Sect. 2-156-030 by any elected official with respect to this contract will be grounds for termination of this Agreement. The term financial interest is defined as set forth in MCC Chapter 2-156."

3. Section 7.7(c) is hereby amended as follows:

Reference to “July 1, 2012" is amended to read “July 1, 2013" and reference to “$11.53" is amended to read “$11.78."

4. New Section 7.13 is hereby added as follows:

Duty to Report Corrupt or Unlawful Activity

Pursuant to MCC 2-156-018, it is the duty of the Contractor to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows to involve corrupt activity. “Corrupt activity” means any conduct set forth in Subparagraph (a)(1), (2) or (3) of Section 1-23-020 of the MCC. Knowing failure to make such a report will be an event of default under this Contract. Reports may be made to the Inspector General’s toll free hotline, 866-IG-TIPLINE (866-444-4754).

5. New Article IV is added to Exhibit 1 as follows:

IV. Health Insurance Category

4.1 Health Insurance Category. Consultant has reviewed the agreement between the City and System Sponsor, including Exhibit 3 to that Agreement, which is Attachment A hereto. Attachment A may be amended from-time-to-time by the City. In the performance of the Services, Consultant must abide by the exclusive Health Insurance Category rights granted by the City to the System Sponsor. Consultant agrees that it will not enter into any contracts pursuant to this Agreement with any entity in the Health Insurance Category, including, but not limited to, the entities listed in Attachment A hereto.

4.2 Violation of Category Exclusivity

(a) Entities Listed on Attachment A

(i) Single Violation in 12-month period. In the event that Consultant violates this Article IV by entering into a contract with an entity listed on
Attachment A at the time of execution of such contract, Consultant must pay the City as liquidated damages double the value of such contract. Consultant must also use commercially reasonable efforts to terminate such contract.

(ii) Repeated Violations in 12-month Period. In the event that Consultant violates this Article IV more than once but less than four times in any 12-month period by entering into a contract with an entity listed on Attachment A at the time of execution of such contract, Consultant will pay the City as liquidated damages triple the value of each such contract in excess of the first. The City will also have the right to terminate, partially or completely, the Agreement on 30 days written notice.

(iii) Chronic Violations in 12-Month Period. In the event that Consultant violates this Article IV more than three times in any 12-month period by entering into a contract with an entity listed on Attachment at the time of execution of such contract, the City will be entitled to all damages provable under law, including consequential damages relating to the loss of sponsorship fees. The City will also have the right to terminate, partially or completely, the Agreement on 30 days written notice.

(b) Entities Not Listed on Attachment A.

In the event that Consultant violates this Article IV by entering into a contract with an entity NOT listed on Attachment A but meeting the criteria to be in the Health Insurance Category at the time of execution of such contract, the parties may complete the terms of the contract and there will be no damages payable to the City. City and Consultant will add such entity to Attachment A upon notice from System Sponsor. If Consultant enters into a contract with an entity that, on the date of execution, did not meet the criteria of the Health Insurance Category but during the contract did, through corporate merger, acquisition or otherwise, come to meet such criteria, Consultant will not be deemed to have breached this Article IV.

(c) Remedies for Breach

The remedies set forth in this Article IV are the exclusive remedies available to the City for the breaches stated in this Article IV.

6. Exhibit 2 is amended as follows:

In Sections I.B.4), I.C.2) and I.D.3), the phrase “...the City shall pay Consultant its portion promptly, but in no event less than 15 business days after City's receipt of payment by Sponsor.” is hereby deleted and replaced with “...the City will promptly pay Consultant its portion after City’s receipt of payment by Sponsor and shall endeavor to do so within 15 business days, but such payment must be made no later than 30 business days after City’s receipt of payment by Sponsor.”
7. **Acknowledgement:** Consultant has provided an On-Line Economic Disclosure Statement and Affidavit (EDS) per Certificate of Filing, provided an Insurance Certificate and submitted Schedule C1's and a Schedule D1 reflecting MBE/WBE compliance plan, which are incorporated here by reference this Amendment.

All capitalized terms not defined in this Amendment No. 1 shall have the meaning ascribed to such terms in the original Agreement. All other terms of the original Agreement remain in full force and effect except as modified in this Amendment No. 1.

*Signature Page Follows*
VAN WAGNER
COMMUNICATIONS, LLC

By:  

Richard A. Silverton
President, Real Estate and Development

Attest:

State of New York

County of New York

This instrument was acknowledged before me on this 21st day of July, 2014 by Richard A. Silverton as President (or other authorized officer) and Steven S. Pretsfelder as Secretary of Van Wagner Communications, LLC.

Notary Public Signature
(Signature)

Commission Expires:  

CITY OF CHICAGO

Chief Financial Officer Date 9/5/14
Department of Finance

SUSAN TYSOWSKI
NOTARY PUBLIC-STATE OF NEW YORK
No. 02TY6079334
Qualified in New York County
My Commission Expires August 26, 2014
Attachment A

Health Insurance Category
(Non-Exhaustive List)

1. Accolade
2. Aetna Inc.
3. Amerigroup Corporation
4. AmeriHealth Mercy
5. Castlight Health
6. Centene Corporation
7. CIGNA
8. Community Health Plans
9. Coventry Health Care
10. Health Alliance Medical Plans
11. Humana
12. Imagine
13. Land of Lincoln Health
14. Meridian Health Plan
15. Molina Healthcare, Inc.
16. Quantum Health
17. UnitedHealth Group
18. WellCare Health Plans, Inc. / Harmony Health Plan
19. WellPoint, Inc.