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COOK COUNTY RECORDER

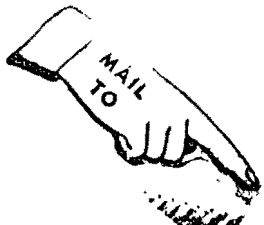
LINCOLN/BELMONT/ASHLAND
REDEVELOPMENT AGREEMENT

THE CITY OF CHICAGO

AND

LINCOLN, ASHLAND & BELMONT, L.L.C.,
LAB - LOFTS, L.L.C. AND
LAB - TOWNHOMES, L.L.C.

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This agreement was prepared by
and after recording return to:

City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60602

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E 117638 / N 931870 COOK COUNTY

Handwritten initials and a circled number '5'.



Rec'd 11-23-94
7:45 AM SK

November 22, 1994

Ms. Susan J. Kroll
Area Coordinator
Department of Planning and Development
City Hall, Room 1006
121 North LaSalle Street
Chicago, Illinois 60602

Re: Exhibit E

Dear Susan,

Please find enclosed the form of construct contract that will be used. This contract should serve as Exhibit E of the Redevelopment Agreement.

If you have any questions, please do not hesitate to call.

Best Regards,

A handwritten signature in cursive script that reads "David S. Dewey".

David S. Dewey
Vice President

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LIST OF EXHIBITS

- Exhibit A Redevelopment Area Legal Description
- Exhibit B Property Legal Description
- Exhibit C TIF-Funded Improvements
- Exhibit D Redevelopment Plan
- Exhibit E Construction Contract
- Exhibit F Escrow Agreement
- Exhibit G Permitted Liens
- Exhibit H Project Budget
- Exhibit I Owner's Sworn Statement, including authorized
Prior Expenditures
- Exhibit J Opinion of Developer's Counsel
- Exhibit K Preliminary TIF Projection -- Real Estate Taxes
- Exhibit L Conditional Provisions

This agreement was prepared by and
after recording return to:

City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60602

LINCOLN/BELMONT/ASHLAND REDEVELOPMENT AGREEMENT

This Lincoln/Belmont/Ashland Redevelopment Agreement (this "Agreement") is made as of this 19th day of December, 1994, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company, LAB-LOFTS, L.L.C., a Delaware limited liability company and LAB-TOWNHOMES, L.L.C., a Delaware limited liability company (collectively, the "Developer;" all references to the Developer herein shall include each and every one of the foregoing entities and each and every obligation of the Developer hereunder shall be the joint and several obligation of each such entity).

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6 (a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the authority to promote the health, safety, and welfare of the City and its inhabitants, to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1992 State Bar Edition) (the "Act") to finance the redevelopment of blighted areas.

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C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on November 2, 1994: (1) "An Ordinance of the City of Chicago, Illinois, Approving and Adopting a Redevelopment Plan and Redevelopment Project for the Lincoln/Belmont/Ashland Tax Increment Financing Redevelopment Project Area" (the "Redevelopment Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois, Designating the Lincoln/Belmont/Ashland Tax Increment Financing Redevelopment Project Area of Said City a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act" (the "Designation Ordinance"); and (3) "An Ordinance of the City of Chicago, Illinois, Adopting Tax Increment Allocation Financing for the Lincoln/Belmont/Ashland Tax Increment Financing Redevelopment Project Area (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The Lincoln/Belmont/Ashland Redevelopment Project Area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased or will purchase certain property located within the Redevelopment Area at the following addresses:

- 3219-3263 North Lincoln Avenue
- 3220-3258 North Ashland Avenue
- 1601-1623 West School Street
- 1600-1624 West School Street
- 3300-3318 North Ashland Avenue
- 1522-1544 West School Street
- 1521-1545 West Henderson Street
- 3301-3321 North Marshfield Avenue

and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction [of a mixed-use project consisting of approximately 90,000 square feet of retail space, a parking structure with approximately 176 spaces, 80 loft condominiums and 47 townhomes thereon]. This mixed-use project and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Lincoln/Belmont/Ashland Redevelopment Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

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F. City Financing: The City Council on November 30, 1994 adopted an ordinance (the "TIF Bond Ordinance") entitled, "An Ordinance of the City of Chicago Providing for the Issuance of not to exceed \$8,000,000 Tax Increment Allocation Bonds (Lincoln-Belmont-Ashland Redevelopment Project), Taxable Series 1994A" (the "Series 1994A TIF Bonds") for the purposes of (i) paying a portion of the Redevelopment Project Costs which have been approved for the Redevelopment Project Area; (ii) paying certain expenses incurred in connection with the issuance of the Series 1994A TIF Bonds, including the City Fee (as hereinafter defined) and (iii) providing any required deposit to the Reserve and Redemption Account (as defined in the TIF Bond Ordinance). After issuance of the Certificate (as hereinafter defined), the City may, but is not obligated to, issue tax-exempt bonds ("Refunding TIF Bonds") for the purposes of (i) paying principal and accrued interest on the Series 1994A TIF Bonds, (ii) financing any interest reserve required for the Refunding TIF Bonds and (iii) paying costs of issuance.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Actual Total Costs" shall mean actual total costs of the overall Project documented by such evidence as shall be satisfactory to DPD in its reasonable discretion and as certified by the Developer.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Certificate" shall mean the Certificate of Completion described in Section 8.01 hereof.

"City Fee" shall mean the fee described in Section 4.05(b) hereof.

"City Funds" shall have the meaning ascribed to it in Section 4.03(b) hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"Closing Date" shall mean the date on which City Funds and the proceeds of the Lender Financing are deposited in the Escrow and on which this Agreement is executed by all parties hereto.

"Commencement Date" shall mean the date on which the Developer will commence construction of the Project as provided in Section 3.01 hereof.

"Comptroller" shall mean the City Comptroller of the City of Chicago.

"Construction Contract" shall mean that certain contract or contracts, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

"Employer(s)" shall have the meaning set forth in Section 11 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, including Net Sales Proceeds (as defined below), in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

"Escrow" shall mean the escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the lender providing the Lender Financing, the Title Company and the Developer, substantially in the form of Exhibit F attached hereto.

"Event of Default" shall have the meaning set forth in Section 17 hereof.

"Financial Statements" shall mean complete audited or unaudited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall mean the general contractor hired by the Developer pursuant to Section 7.01 hereof.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act as amended from time to time, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Developer from private lenders and are available to pay for costs of the Project, in the amount set forth in Section 4.01 hereof.

"MBE(s)" or minority-owned business shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority business enterprise.

"Net Sales Proceeds" shall mean: (a) with respect to loft condominium units and townhomes, the gross purchase price for such properties, less brokerage, commissions, upgrades and extras; and (b) with respect to retail properties, proceeds received by the

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Developer from the initial sale or refinancing of the retail properties (net of customary prorations in the case of a sale), less any amounts applied to pay-off the initial mortgage liens encumbering the retail properties that secure the Lender Financing, and less all customary closing costs incurred by the Developer, including, but not limited to, transfer taxes, recording fees, title charges, legal fees, commissions and loan fees.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.

"Permitted Liens" shall mean those liens and encumbrances against the Developer, the Property and/or the Project set forth on Exhibit G hereto.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit H, showing the total cost of the Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act, as amended from time to time.

"Refunding TIF Bonds" shall have the meaning ascribed to it in paragraph F of the Recitals hereto.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Survey" shall mean an ALTA plat of survey of the Property dated within 45 days prior to the Closing, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Department of Housing and Urban Development (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the later of: (a) the date on which all Series 1994A TIF Bonds and Refunding TIF Bonds, if any, evidencing tax increment financing under the Act secured in

whole or in part by Incremental Taxes generated by the Project shall have been paid or redeemed; or (b) the date on which the City shall have been fully reimbursed from Incremental Taxes generated by the Project for amounts expended by the City for the Redevelopment Project Costs; provided, however, that such term shall in no event be longer than the period for which the Redevelopment Area is in effect (through and including October 1, 2017).

"TIF Fund" shall mean the Lincoln/Belmont/Ashland Tax Increment Special Tax Allocation Fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean those improvements of the Project as set forth on Exhibit C which (i) qualify as Redevelopment Project Costs, and (ii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement.

"Title Company" shall mean Chicago Title Insurance Company and/or Near North National Title Corporation.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to any previously recorded liens against the Property related to Lender Financing, issued by the Title Company, with contiguity, zoning and such other endorsements as the City may require in its reasonable discretion.

"WBE(s)" or women-owned business means a business enterprise identified in the Directory of Certified Women Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, the Developer shall, pursuant to the Plans and Specifications: (i) commence construction no later than January 15, 1995 (the "Commencement Date") and (ii) complete construction and commence the conduct of business operations therein no later than December 31, 1997, subject to the provisions of Section 20.17 hereof.

3.02 DPD Approval of Scope Drawings and Plans and Specifications.

(a) Preliminary Approval. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan as amended

from time to time and all applicable state and local laws, ordinances and regulations. At or prior to the Closing Date, the Developer shall deliver the site plans and elevations for the Project to DPD for its review and written approval, which approval shall not be unreasonably withheld. DPD shall respond within 15 business days of receipt of the site plans and elevations with either a written approval or rejection stating the reasons for such rejection. Within 90 days after the Closing Date, the Developer shall deliver the Plans and Specifications to DPD for its review and written approval, which approval shall not be unreasonably withheld. DPD shall respond within 15 business days of receipt of the Plans and Specifications with either a written approval or rejection stating the reasons for such rejection. The Developer shall simultaneously submit all such documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

(b) Revisions. In the event DPD rejects all or any portion of the Scope Drawings and/or Plans and Specifications as initially presented pursuant to Section 3.02(a), the Developer shall have 15 business days from the date the Developer is notified of such rejection to submit revised or corrected documents to DPD for DPD's written approval. DPD shall respond within 15 business days of receipt of such revised or corrected documents, as provided in Section 3.02(a). After the initial approval, subsequent proposed changes shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget dated as of the date hereof showing total costs for the Project in an amount not less than Thirty-Seven Million Thirty-Nine Thousand Seven Hundred Sixty-Three Dollars (\$37,039,763.00). The Developer hereby certifies to the City that (a) that it has Lender Financing and Equity in an amount sufficient to pay for all costs of the Project; and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD copies of any changes with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Subject to Section 4.05(c) hereof, and as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted in writing by the Developer to DPD prior to the implementation thereof. DPD shall respond within 15 business days of receipt of such Change Order with either a written approval or rejection stating the reasons for such rejection. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which

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the City has agreed to pay pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders totalling less than Fifty Thousand Dollars (\$50,000.00) each, to an aggregate amount of Three Hundred Fifty Thousand Dollars (\$350,000.00) must be submitted to DPD as set forth in this Section 3.04 but do not require DPD's prior written approval.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 6.03 hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals for that portion of the Project under construction and proof of the General Contractor's and each subcontractor's bonding, if any such bonding is required pursuant to the terms of the Agreement.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Architect. Pursuant to the terms of the Lender Financing, Oppidan, Inc. (the "Architect") shall act as inspecting architect on the Project. The Architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project pursuant to the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$37,039,763.00, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity	\$ 7,837,263
Lender Financing	21,575,000
Series 1994A TIF Bonds (including City Fee)	7,627,500 ¹
ESTIMATED TOTAL	\$37,039,763

4.02 Developer Funds.

Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may be used to pay for or reimburse the Developer for costs of TIF-Funded Improvements only. Subject to Section 4.05(c) hereof, Exhibit C sets forth, by line item, the maximum amount of costs of TIF-Funded Improvements for the Project that may be reimbursed from City Funds for each line

¹ plus costs of issuance of the Series 1994A TIF Bonds to be determined.

item therein, contingent upon receipt by the City of documentation pursuant to the Escrow satisfactory in form and substance to DPD evidencing such cost.

(b) Sources of City Funds. [Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 6 hereof, the City hereby agrees to reserve from the proceeds of the Series 1994A TIF Bonds the amount of \$7,627,500 (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements, including the City Fee, provided, however, that the total amount of City Funds expended for TIF-Funded Improvements (excluding the City Fee) shall be an amount not to exceed ~~the lesser of Seven Million Five Hundred Thousand Dollars (\$7,500,000) or twenty-one percent (21%) of the Actual Total Costs of the Project~~ (excluding the City Fee). *Eight*

Fifteen *815*
4.04 Construction Escrow. The City and the Developer hereby agree to enter into the Escrow Agreement with the Title Company or an affiliate of the Title Company and the lender providing the Lender Financing. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. The AIA form Owner's Sworn Statement, being Exhibit I hereto, sets forth the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof. Subsequent disbursements will be governed by the provisions of the Escrow Agreement.

(b) City Fee. The City may allocate from Series 1994A TIF Bond proceeds an amount not to exceed One Hundred Twenty-Seven Thousand Five Hundred Dollars (\$127,500) for payment of costs incurred by the City for the administration and monitoring of the Project.

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(c) Allocation Among Line Items. Subject to Section 3.04, expenditures for TIF-Funded Improvements may be reallocated among the line items of costs of TIF-Funded Improvements shown on Exhibit C, provided, however, that transfers of costs and expenditures between line items of costs of TIF-Funded Improvements and the Developer's private costs are prohibited.

(d) Allocation of Costs With Respect To Sources of Funds.

(i) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed \$6,000,000, shall be paid through the Escrow from City Funds on the Closing Date as a TIF-Funded Improvement.

(ii) Disbursement of Equity and Lender Financing. Each additional amount paid pursuant to the Escrow Agreement, whether for TIF-Funded Improvements or otherwise, shall be charged first to Equity (excluding Net Sales Proceeds) or Lender Financing.

(iii) Disbursement of City Funds. After all of the Equity (excluding Net Sales Proceeds) and Lender Financing in the amount of \$21,575,000 has been disbursed to pay for the costs of the Project, the remaining City Funds may be disbursed to the Developer through the Escrow to pay for or reimburse the Developer for previous payment for TIF-Funded Improvements, provided, however, that the aggregate remaining amount disbursed from City Funds pursuant to this Section 4.05(d)(iii) shall not exceed the lesser of \$1,500,000 or such amount which, together with the \$6,000,000 disbursed pursuant to Section 4.05(d)(i), shall equal 21 percent of the most current estimate of the total costs of the Project; provided, further, that costs of TIF-Funded Improvements that are to be paid from City Funds derived from proceeds of the Series 1994A TIF Bonds shall be payable by the City only to the extent that such funds are available.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, the Developer shall be solely responsible for such excess costs, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds.

SECTION 5. REFUNDING TIF BONDS

The Commissioner of DPD and the Comptroller agree that within 90 days of receipt of a request from the Developer (which request shall be submitted within five years from the Closing Date), they will recommend to the City Council for approval and passage an

ordinance or ordinances necessary to issue Refunding TIF Bonds, the proceeds of which will be used to refund the Series 1994A TIF Bonds and the security for which will be solely Incremental Taxes. The amount of the Refunding TIF Bonds will be an amount which in the Comptroller's reasonable discretion under the then current market conditions may be marketable; provided, however, that if, in the reasonable opinion of the Comptroller, there is an insufficient market for such Refunding TIF Bonds or if the issuance of such Refunding TIF Bonds would adversely affect the City's credit rating or in any other way adversely affect City finances, such officials will not be required to recommend approval of such ordinance(s). Nothing herein shall prohibit the City from issuing Refunding TIF Bonds on its own initiative to the extent permitted by the Act and by the TIF Bond Ordinance.

SECTION 6. CONDITIONS PRECEDENT

The following conditions shall be or have been complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

6.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, the Project Budget attached hereto as Exhibit H in accordance with the provisions of Section 3.03 hereof.

6.02 Scope Drawings and Plans and Specifications. The Developer will submit to DPD the Scope Drawings and the Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

6.03 Other Governmental Approvals. Within 90 days after the Closing Date, the Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD. The Developer shall not begin work on the Project until all requisite permits and approvals have been obtained for that portion of the Project under construction.

6.04 Financing. Prior to the Closing Date, the Developer shall furnish proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer shall have furnished proof satisfactory to DPD that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the other sources set forth in Section 4.01) to complete the Project.

6.05 Evidence of Clean Title. Prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the Developer's name (and any trade name of

the Developer) as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer or the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens, and with respect to any Affiliate, showing no outstanding debts owed to the State of Illinois, Cook County or the City.

6.06 Surveys. Prior to the Closing Date, the Developer shall have furnished the City with three (3) copies of the Survey.

6.07 Insurance. The Developer, at its own expense, shall have insured the Property in accordance with Section 14 hereof. Certificates or binders evidencing the required coverages, along with paid receipts, shall be delivered to DPD prior to the Closing Date, in accordance with the requirements of Section 14.

6.08 Opinion of the Developer's Counsel. Prior to the Closing Date, the Developer shall furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as may be required by or acceptable to the Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some or all of the opinions set forth in Exhibit J hereto, such opinions shall be obtained by the Developer from its general corporate counsel.

6.09 Environmental. The Developer has delivered, and DPD acknowledges receipt of, copies of that certain phase I environmental audit completed with respect to the Property.

6.10 Other Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation of such expenditures to DPD, satisfactory to DPD and as required by the Escrow Agreement. The Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Bond Ordinance, if any, any certifications or representations made by the City in connection with the issuance of the Series 1994A TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

SECTION 7. AGREEMENTS WITH CONTRACTORS

7.01 Bid Requirement. Prior to entering into an agreement with a General Contractor for construction of the TIF-Funded Improvements, the Developer shall solicit bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago. The Developer shall select the General Contractor, which may include an Affiliate, submitting the lowest responsible bid for the Project who can complete the Project in a timely manner, and shall submit such bid to DPD for its written approval. If the Developer selects other than the lowest responsible bid for any TIF-Funded Improvement, the Developer shall pay the difference between the lowest responsible bid and the bid selected. DPD shall have the right to inspect all bids submitted. If no bids are received in response to the solicitation for bids, the Developer shall act as the General Contractor.

7.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor, for DPD's prior written approval, which shall be granted or denied within 10 business days after delivery thereof. Within 10 business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

7.03 Performance and Payment Bonds. Prior to commencement of construction, the Developer shall require that the General Contractor and each contractor be bonded for any work to be performed in the public way for their performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on each such bond.

7.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 11 hereof.

7.05 Local Contractors and Vendors. The Developer shall use its best efforts to ensure that all contracts entered into in connection with the TIF-Funded Improvements for work done, services provided or materials supplied shall be let (by the Developer, the General Contractor or any subcontractor) to persons or entities whose main office and place of business is located within the City of Chicago. The Construction Contract and each contract between the General Contractor and any subcontractor shall contain a provision to this effect.

7.06 Other Provisions. In addition to the requirements of this Section 7, the Construction Contract and each contract with

any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 9.09 (Prevailing Wage), Section 14 (Insurance) and Section 16.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the Project in the amount of \$50,000 or more shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 8. COMPLETION OF PROJECT

8.01 Certificate of Completion. Upon completion of the Project in accordance with the terms of this Agreement, and at the Developer's written request, DPD shall issue the Developer a Certificate certifying that the Developer has fulfilled its obligation to construct the Project in accordance with the terms of this Agreement; provided, however, that the issuance of any such Certificate shall not operate as a waiver of any of the City's rights under this Agreement or any other agreement. DPD shall respond to the Developer's written request for a Certificate within 45 days after DPD's receipt thereof, by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement, and any other objections to the issuance of a Certificate which DPD may have, and the measures which must subsequently be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

8.02 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of the Agreement, then the City shall have, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant to the Escrow Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the Refunding TIF Bonds, if any.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

9.01 General. The Developer represents, warrants and covenants that:

(a) the Developer is a Delaware limited liability company duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action and will not violate its Articles of Incorporation or by-laws as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound; ,

(d) prior to the issuance of a Certificate, except in the ordinary course of business (including the sale of residential condominiums and townhomes to a third-party unrelated to the Developer) or as otherwise permitted pursuant to the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens and Lender Financing as disclosed in the Project Budget);

(e) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) as of the date hereof, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has and shall maintain all government permits, certificates and consents necessary to conduct its business and shall obtain all government permits, certificates and consents necessary (including, without limitation, appropriate environmental approvals) to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which

the Developer is a party or by which the Developer is bound;

(i) the Financial Statements when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; and

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property other than the Permitted Liens (unless such liens are insured over by the Title Company), or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget, or except as disclosed on Exhibit G hereto.

9.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Section 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, if any, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer.

9.03 Redevelopment Plan. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

9.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely for payment or reimbursement of the TIF-Funded Improvements as provided in this Agreement.

9.05 Issuance of Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Project, including the Series 1994A TIF Bonds or Refunding TIF Bonds, the proceeds of which are to be used to refund the Series 1994A TIF Bonds. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Series 1994A TIF Bonds or Refunding TIF Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

9.06 Job Creation and Retention; Covenant to Remain in the City. The Developer estimates that not less than 106 temporary construction jobs shall be created by the Developer during the construction of the Project and not less than six full-time or part-time property management, security and janitorial jobs shall be created by the Developer within 12 months of completion of the Project. In addition, the Developer estimates, based on information provided by the retail tenants of the Project, that not less than 307 full-time and part-time retail jobs shall be created within 12 months of completion of the Project, for a total of 313 full-time and part-time jobs to be created at the Project during the Term of the Agreement. The Developer shall provide documentation to DPD, satisfactory in form and substance to DPD, with respect to the creation of construction and retail jobs, including a list of job descriptions, salaries and a hiring schedule, on a quarterly basis.

9.07 Employment Opportunity. The Developer covenants and agrees to abide by, and contractually obligate to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 11 hereof.

9.08 Employment Profile. The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, but not more often than quarterly, statements of its employment profile upon DPD's request.

9.09 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts.

Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 9.09.

9.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement other than an Affiliate of the Developer or the General Contractor as set forth on the General Contractor's and Owner's Sworn Statements. The Developer shall provide ownership information with respect to any entity to receive City Funds (by reimbursement or otherwise), upon DPD's request, prior to any such disbursement.

9.11 Conflict of Interest. The Developer represents and warrants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City, owns or controls (or has owned or controlled) any interest, or represents any person, as agent or otherwise, who owns or controls any interest, direct or indirect, in the Developer's business or the Property described in Exhibit B hereto; nor shall any such member, official, employee or consultant participate in any decision relating to the Developer's business which affects his or her interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

9.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

9.13 Financial Statements. Within 120 days after the end of the Developer's fiscal year, the Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended December 31, 1994 and each year thereafter until the issuance of a Certificate. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

9.14 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 14 hereof.

9.15 Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the

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Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question. The Developer shall have the right, before any delinquency occurs, (i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify, or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 9.15); or (ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

9.16 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

9.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

9.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing and any other encumbrance (except for Permitted Liens) shall be made subordinate to this Agreement. The Developer shall

pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

9.19 Conditional Provisions. The covenants set forth in Exhibit L hereto, in their entirety or selectively, will become effective at the sole option of the City and upon the City's receipt of an opinion from nationally recognized bond counsel that the effectiveness of those provisions will not adversely affect the tax-exempt status of the Refunding TIF Bonds, if any. In the event that the City exercises its option to make any covenant(s) in Exhibit L effective, it shall so notify the Developer in accordance with Section 19 hereof.

9.20 Survival of Covenants. Except as set forth in this Section 9.20, all warranties, representations, covenants and agreements of the Developer contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement; provided, however, that all provisions of this Agreement that have, as of the date of the issuance of a Certificate, been fully performed and executed, shall terminate upon issuance of such Certificate and be of no further force or effect; and provided further, that nothing in this Section 9.20 shall be construed as a waiver by the City of its rights and remedies pursuant to this Agreement and with respect to such terminated provisions during the period that such provisions were in effect, and all of the City's rights and remedies with respect thereto shall survive the issuance of the Certificate.

SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 11. EMPLOYMENT OPPORTUNITY

The Developer and its successors and assigns hereby agree, and shall contractually obligate and cause its or their General

Contractor, subcontractors, any Affiliate of the Developer or lessee operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of this Agreement with respect to the Developer and the Project and during the period of any other such party's provision of services hereunder or occupation of the Property, provided, however, that the following provisions shall not apply to individual homeowners occupying the 47 townhomes and 80 loft condominiums on the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

(b) To the greatest extent reasonably feasible, each Employer shall create training and employment opportunities for the benefit of low and moderate income residents of the Redevelopment Area. Moreover, to the greatest extent reasonably possible, contracts for work performed in connection with the Project shall be awarded by Employer to business concerns located in, or owned in substantial part by persons residing in, the Redevelopment Area.

(c) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(d) Each Employer shall make a good faith effort to hire the City residents for any temporary or permanent job vacancies created by the construction, development or use of the Project. Until the issuance of a Certificate, the Developer shall submit reports to DPD on a quarterly basis detailing its compliance with this

provision.

(e) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(f) The Developer shall expend at least the following percentages of the total Project Budget (less amounts paid for acquisition of the Property, if any) for contract participation by MBEs or WBEs in the construction of the Project:

<u>MBE Percentage</u>	<u>WBE Percentage</u>
25%	5%

This commitment may be met by the Developer's status as a MBE or WBE, or by a joint venture with one or more MBEs or WBEs (to the extent of the MBE or WBE participation in such joint venture), by using an MBE or WBE as General Contractor, by subcontracting or causing the General Contractor to subcontract a portion of the work to one or more MBEs or WBEs, by the purchase of materials used in the Project from one or more MBEs or WBEs, or by the indirect participation of MBEs or WBEs in other aspects of the Developer's business or by any combination of the foregoing. Those businesses that constitute both an MBE and WBE shall not be credited more than once against the Developer's MBE or WBE commitment. The Developer may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project. The City may require the Developer to demonstrate the specific efforts undertaken to involve MBEs and WBEs directly in the Project. Until the issuance of a Certificate, monthly [or, at the discretion of the Commissioner, quarterly] reports shall be made by the Developer to the City on all efforts made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each MBE and WBE solicited by the Developer to work as General Contractor or subcontractor and the responses received to such solicitation, the name and business address of each MBE and WBE actually involved in the Project, a description of the work performed and or products or services supplied, the date and amount of each expenditure and such other information as may assist the City in determining the Developer's compliance with the foregoing provisions, and the status of any MBE or WBE performing any contract in connection with the Project. The City shall have access to the Developer's books and records, including without limitation payroll records, tax returns and records and books of account, on five (5) days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation.

(g) Each Employer will include the foregoing provisions in every contract entered into in connection with the Project, and will require the inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or subcontractor or Affiliate, as the case may be.

SECTION 12. CHICAGO RESIDENT EMPLOYMENT REQUIREMENT

The Developer shall require that the General Contractor shall comply with the minimum percentage of total worker hours performed by actual residents of the City specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of total worker hours shall be performed by actual residents of the City), provided, however, that in addition to complying with this percentage, the Developer shall require the General Contractor to make good faith efforts to utilize qualified residents of the City in both skilled and unskilled labor positions.

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the City's Purchasing Agent.

"Actual residents of the City" shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Developer shall require that the General Contractor shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the project. The General Contractor shall maintain copies of personnel documents supportive of every City employee's actual record of residence.

Certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted on a quarterly basis to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name.

The Developer shall require the General Contractor to provide full access to the General Contractor's employment records to the City's Purchasing Agent, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative thereof. The Developer shall require the General Contractor to maintain all relevant personnel data records for a period of at least three

years after final acceptance of the work constituting the Project.

At the direction of DPD, affidavits and other supporting documentation will be required of the General Contractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the General Contractor to provide utilization of actual City residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the City's Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this section concerning the worker hours performed by actual City residents.

When the work is completed, in the event that the City has determined that the General Contractor failed to ensure the fulfillment of the requirements of this section concerning the worker hours performed by actual City residents, or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this section. The willful falsification of statements in the certification of payroll data may subject the General Contractor to prosecution.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

The Developer shall require the General Contractor to include this provision in all subcontracts.

SECTION 13. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or

not caused by, or within the control of the Developer (unless caused by the City or its agents): (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property adjacent to the Property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its subsidiaries under any Environmental Laws relating to the Property.

SECTION 14. INSURANCE

The Developer shall procure and maintain, or cause to be procured and maintained, at its sole cost and expense, at all times throughout the Term of this Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, any contractor or subcontractor:

(a) Prior to Execution and Delivery of this Agreement: At least ten (10) business days prior to the Closing Date, the Developer shall procure and maintain, or shall cause the appropriate entity to procure and maintain, the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily

injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

(b) Construction: Prior to the construction of any portion of the Project, the Developer shall procure and maintain, or cause to be procured and maintained, the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, \$2,000,000 in the aggregate] combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage. The City of Chicago is to be named as an additional insured.

(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, the Developer, such contractor or subcontractor shall

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provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the project.

(c) Other Provisions

All insurance policies shall provide that the City shall be given 30 days prior written notice of any modification, renewal or cancellation. Original certificates of insurance evidencing the required coverages and renewal certificates of insurance or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement or prior to completion of construction of the Project, as applicable, shall be delivered in a timely manner, as herein required, to the City of Chicago, Department of Finance, Risk Management Office, 333 South State Street, Room 400, Chicago, Illinois 60604. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City.

The Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. The Developer shall require all contractors

and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

The Developer agrees to waive any rights of subrogation against the City and shall cause its insurers and the insurers of each contractor and subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

The Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

The City maintains the right to modify, delete, alter or change the provisions of this Section 14 so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 14 beyond that which is reasonably customary at such time.

SECTION 15. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement or (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer.

SECTION 16. MAINTAINING RECORDS/RIGHT TO INSPECT

16.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever

source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

16.02 Inspection Rights. Until the issuance of a Certificate, any authorized representative of DPD shall have access to all portions of the Project and the Property during normal business hours upon 24 hours' written notice to the Developer.

SECTION 17. DEFAULT AND REMEDIES

17.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 17.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any construction loan agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of

the Developer, or alleging that such the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within thirty (30) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within thirty (30) days after the commencement thereof;

(g) the entry of any judgment or order against the Developer in a dollar amount of \$50,000 or more or which impairs the ability of the Developer to complete the Project and which remains unsatisfied, undischarged or unappealed and in effect for thirty (30) days after such entry without a stay of enforcement or execution;

(h) the dissolution of the Developer; or

(i) the conviction of the Developer or any natural person who owns a material interest in the Developer, in a criminal proceeding (other than a misdemeanor), or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor).

For purposes of Section 17.01(i) hereof, a person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of the Developer's issued and outstanding shares of stock.

17.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein. In the event that the City elects to suspend disbursement of City Funds upon the occurrence of an Event of Default, and the Developer or the lender providing Lender Financing fails to cure the Event of Default pursuant to Section 17.03, any amounts remaining undisbursed in the Project Fund (as defined in the TIF Bond Ordinance) shall be used by the City to

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redeem the Series 1994A TIF Bonds to the extent permitted by the TIF Bond Ordinance.

17.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer shall have failed to perform such monetary covenant within 30 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer shall have failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30-day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30-day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. Any lender providing Lender Financing shall have the same right (but not the obligation) given to the Developer to cure said Event of Default. Notwithstanding the foregoing, if the Event of Default is of a nature that can only be cured by such lender obtaining possession of the Project, the lender shall be deemed to have remedied or cured such Event of Default if the lender shall, within the cure period set forth above, commence efforts to obtain possession and carry the same forward with diligence and continuity through implementation of foreclosure, appointment of a receiver or otherwise, and thereafter diligently and continuously prosecutes the cure of such Event of Default until the same has been cured or remedied.

SECTION 18. MORTGAGING OF THE PROJECT

All mortgages, if any, currently in place with respect to the Project are listed on Exhibit G hereto, including mortgages made in connection with Lender Financing. In the event that the Developer shall hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof, a mortgage(s) or deed(s) of trust (any such mortgage or deed of trust being hereinafter referred to as the "Mortgage" and the holder of the same being hereinafter referred to as the "Mortgagee"), then it is hereby agreed by and between the City and the Developer as follows:

(a) Prior to the issuance of a Certificate pursuant to Section 8 hereof, no Mortgage, other than mortgages by purchasers unrelated to the Developer or an Affiliate securing financing for individual condominium units or townhomes, or a mortgage

refinancing an outstanding mortgage for the Project, which refinancing mortgage shall not be greater than the principal amount of the refinanced mortgage, shall be executed on the Project without the prior written consent of the Commissioner of DPD.

(b) In the event that the Mortgagee or any other party shall succeed to the Developer's interest in the Property pursuant to the exercise of remedies under a Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 20.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such Mortgagee or other party succeeding to the Developer's interest in the Property does not expressly accept an assignment of the Developer's interest hereunder, such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

SECTION 19. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified or facsimile mail, return receipt requested.

If to the City: City of Chicago
 Department of Planning and Development
 121 North LaSalle Street, Room 1000
 Chicago, IL 60602
 Attention: Commissioner
 FAX: (312) 744-2271

With Copies To: City of Chicago
 Department of Law
 Finance and Economic Development
 Division
 121 North LaSalle Street, Room 511
 Chicago, IL 60602
 FAX: (312) 744-8538

If to the Developer: Lincoln, Ashland & Belmont, L.L.C.
c/o Enterprise Development
710 West Oakdale
Chicago, Illinois 60657
FAX: (312) 368-1271

and c/o LR Development Company
3257 North Sheffield
Chicago, Illinois 60657
FAX: (312) 404-7516

With Copies To: John J. George
100 West Monroe Street
Suite 500
Chicago, Illinois 60603
FAX: (312) 726-8819

and LaSalle Bank Lake View
3201 North Ashland
Chicago, Illinois 60657
Attention: David I. Dresdner
FAX: (312) 880-0676

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 20. MISCELLANEOUS

20.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the parties hereto.

20.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

20.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

20.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

20.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

20.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

20.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

20.08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

20.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

20.10 Severability. If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

20.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the TIF Bond Ordinance, if any, such ordinance(s) shall prevail and control.

20.12 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

20.13 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

20.14 Approval. Wherever this Agreement provides for the approval or consent of the City or DPD, or any matter is to be to the City's or DPD's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DPD in writing and in its sole discretion.

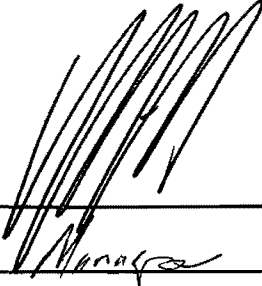
20.15 Assignment. Prior to the issuance by the City to the Developer of a Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, provided, however, to the extent permitted and subject to the provisions of Section 18, the Developer may assign the Agreement to the lender providing Lender Financing as security for repayment of the Lender Financing. Notwithstanding the issuance of a Certificate, any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 9.19 (Conditional Provisions) and Section 9.20 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposition of this Agreement at any time in whole or in part.


20.16 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns.


20.17 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity for an abnormal duration, tornadoes or cyclones and other events or conditions beyond the reasonable control of the party affected which, in fact, interferes with the ability of such party to discharge its respective obligations hereunder.


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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.


ATTEST: 
By: RBS
Its: Manager


LINCOLN, ASHLAND & BELMONT, L.L.C.
By: BCA 
Its: Manager

ATTEST: 
By: RBS
Its: Manager

LAB - LOFTS, L.L.C.
By: BCA 
Its: Manager

ATTEST: 
By: RBS
Its: Manager

LAB - TOWNHOMES, L.L.C.
By: BCA 
Its: Manager

CITY OF CHICAGO
By: 
Commissioner
Department of Planning and Development

04061013

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

ATTEST: LINCOLN, ASHLAND & BELMONT, L.L.C.

By: _____ By: _____

Its: _____ Its: _____

ATTEST: LAB - LOFTS, L.L.C.

By: _____ By: _____

Its: _____ Its: _____

ATTEST: LAB - TOWNHOMES, L.L.C.

By: _____ By: _____

Its: _____ Its: _____

CITY OF CHICAGO

By: *Valencia Ferrel*
Commissioner

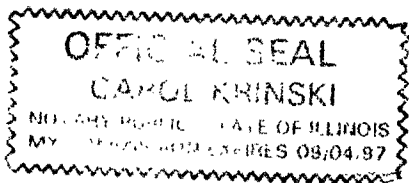
Department of Planning and Development

04061013

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Carol Krinski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ronald B. Shipka, Sr. and Bruce C. Abrams, personally known to me to be the Manager and Manager of Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company (the "Company"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 16th day of December, 1994 in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the members of the Company, as their free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16th day of December, 1994.



(SEAL)

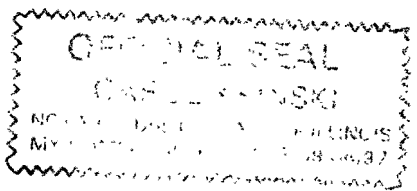
Carol Krinski
Notary Public

My Commission Expires _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Carol Krinski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ronald B. Shipka, Sr and Bruce C. Abrams, personally known to me to be the Manager and Manager of LAB-LOFTS, L.L.C., a Delaware limited liability company (the "Company"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 16th day of December, 1994 in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the members of the Company, as their free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16th day of December, 1994.



(SEAL)

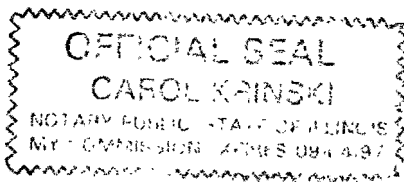
Carol Krinski
Notary Public

My Commission Expires _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Carol Krinski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ronald B. Shipka, Sr and Bruce C. Abrams, personally known to me to be the Manager and Manager of LAB-TOWNHOMES, L.L.C., a Delaware limited liability company (the "Company"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 16th day of December, 1994 in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the members of the Company, as their free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16th day of December, 1994.



Carol Krinski
Notary Public

My Commission Expires _____

(SEAL)

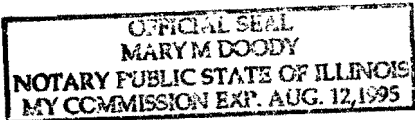
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Mary Doody, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Valerie B. Jarrett, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 19th day of December, 1994 in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19th day of December, 1994.



Mary M. Doody

Notary Public

My Commission Expires 8-12-95

(SEAL)

EXHIBIT A

The legal description for the Lincoln-Belmont-Ashland Tax Increment Financing Redevelopment Project Area is:

That part of the Southeast Quarter of Section 19 and the Southwest Quarter of Section 20, both in Township 40 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the intersection of the centerline of North Lincoln Avenue with the centerline of North Ashland Avenue, being also the East line of said Southeast Quarter of Section 19 and the West line of said Southwest Quarter of Section 20; thence northwesterly along said centerline of North Lincoln Avenue, a distance of 339.65 feet to the easterly extension of the South line of Melrose Street; thence westerly along said South line and the easterly extension thereof, 184.06 feet to the Northeast corner of Lot 41 in Block 10 in Gross' North Addition to Chicago in the Southeast Quarter of Section 19, aforesaid; thence southerly along the East line of said Lot 41 and the southerly extension thereof, 133.00 feet to the centerline of the East-West Public Alley, being 16 feet in width, in said Block 10; thence westerly along said centerline and the westerly extension thereof, 326.00 feet to the centerline of North Paulina Avenue; thence northerly along said centerline, 199.00 feet to the westerly extension of the North line of Melrose Street, aforesaid; thence easterly along said North Line and the westerly and easterly extensions thereof, 477.37 feet to the centerline of North Lincoln Avenue, aforesaid; thence northwesterly along said centerline, 334.60 feet to the centerline of North Marshfield Avenue; thence northerly along said centerline of North Marshfield Avenue, 242.31 feet to the westerly extension of the North line of the south 10.00 feet of Lot 33 in Block 8 in G.H.A. Thomas' Subdivision of Blocks 8 and 9 of L. Turner's Subdivision of the Northeast Half of the East Half of the Southeast Quarter of Section 19, aforesaid; thence easterly along said North line and the westerly extension thereof, 157.88 feet to the East line of said Lot 33; thence southerly along said East line, 10.00 feet to the Southeast corner thereof; thence easterly along the North line and the westerly extension thereof, of Lot 17 in said Block 8, a distance of 123.90 feet to the Northeast corner thereof; thence easterly at right angles to the East line of said Lot 17, a distance of 50.00 feet to the centerline of North Ashland Avenue, aforesaid; thence northerly along said centerline, 66.99 feet to the westerly extension of the North line of Lot 19 in Block 1 of Sickel and Hufmeyer's Subdivision of the South Half of the North Half of the Southwest Quarter of the Southwest Quarter of Section 20, aforesaid; thence easterly along the North line of said Lot 19 and said westerly extension and the easterly extension of said North line, and the North line of Lots 9 through 18, inclusive, being also the South line of West

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Henderson Street, 426.00 feet to the Northeast corner of said Lot 9; thence southerly along the East line of said Lot 9, a distance of 125.20 feet to the southeast corner thereof; thence westerly along the South line of said Lot 9, a distance of 16.00 feet to the Northerly extension of the East line of the west 9.00 feet of Lot 38 in said Block 1; thence southerly along the East line of said 9.00 feet, and said northerly extension thereof, and the southerly extension thereof, 174.21 feet to the centerline of West School Street; thence westerly along said centerline, 410.14 feet to the centerline of North Ashland Avenue, aforesaid; thence southerly along said centerline of North Ashland Avenue, 670.32 feet to the centerline of North Lincoln Avenue, aforesaid, being the place of beginning, in Cook County, Illinois.

Permanent Index Numbers:

- 14-19-426-008
- 14-19-426-011
- 14-19-426-012
- 14-19-426-027
- 14-19-426-030
- 14-19-426-031

- 14-19-431-001
- 14-19-431-002
- 14-19-431-003

- 14-19-435-003
- 14-19-435-004
- 14-19-435-009
- 14-19-435-038
- 14-19-435-039
- 14-19-435-040

- 14-20-320-001
- 14-20-320-002
- 14-20-320-003
- 14-20-320-004
- 14-20-320-005
- 14-20-320-006
- 14-20-320-007
- 14-20-320-034
- 14-20-320-043
- 14-20-320-044

EXHIBIT B

PROPERTY LEGAL DESCRIPTION

PARCEL 1:

LOTS 17-24 BOTH INCLUSIVE (EXCEPT FROM SAID PREMISES THAT PART OF EACH OF SAID LOTS LYING EAST OF A LINE 50 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SECTION 19) IN BLOCK 8 IN G.H.A. THOMAS' SUBDIVISION OF BLOCKS 8 & 9 IN L. TURNER'S SUBDIVISION OF THE NORTHEAST 1/2 OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL THAT PART OF BLOCK 10 (EXCEPT THAT PART THEREOF CONVEYED TO THE CITY OF CHICAGO BY DEED RECORDED AS DOCUMENT 12248524 IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS), IN L. TURNER'S SUBDIVISION LYING NORTH OF THE NORTH LINE OF LOT 18 IN RUSK AND FLOOD'S SUBDIVISION OF SOUTH 1/2 BLOCK 10 IN L. TURNER'S SUBDIVISION OF THE NORTHEAST 1/2 OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 9 TO 18, BOTH INCLUSIVE, AND LOTS 29 TO 37 AND THE WEST 9 FEET OF LOT 38, BOTH INCLUSIVE, IN BLOCK 1 OF SICKEL AND HUFMEYER'S SUBDIVISION OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

ALL THAT PART OF THE EAST AND WEST 16 FOOT VACATED ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 9 TO 18, BOTH INCLUSIVE, LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 29 TO 38, BOTH INCLUSIVE, AND LYING WEST OF AND ADJOINING THE WEST LINE OF THE EAST 16 FEET OF SAID LOT 38 PRODUCED NORTH 16 FEET, IN BLOCK 1 OF SICKEL AND HUFMEYER'S SUBDIVISION OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THE EAST 1/2 OF THE NORTH AND SOUTH VACATED ALLEY IN BLOCK 1 OF SICKEL AND HUFMEYER'S SUBDIVISION LYING EAST OF AND ADJACENT TO LOTS 19 THROUGH 28 IN SAID BLOCK 1, ALL IN THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 25, 26, 27, 28, 29, 30, 31, 32 AND THE SOUTH 10 FEET OF LOT 33 IN BLOCK 8 IN G.H.A. THOMAS' SUBDIVISION OF BLOCKS 8 AND 9 OF L. TURNER'S SUBDIVISION OF THE NORTHEASTERLY 1/2 OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. 04061013

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**EXHIBIT C
TIF FUNDED IMPROVEMENTS**

	TOWER	ANNEX
Land Acquisition	\$3,000,000	\$3,000,000
Demolition	100,000	200,000
Hazardous Material Abatement	200,000	
Renovation of Existing Structures		
Debris removal	20,000	5,000
Masonry cleaning/tuckpointing	22,050	
Structural Concrete	15,000	
Elevator	25,000	
Lightweight concrete	25,000	
Masonry	46,000	
Structural Steel	100,000	
Carpentry/drywall	50,000	
Labor	20,000	
Tenant buildout	10,000	
Roofing	50,000	
Punch list/warranty	2,000	
Doors and frames	5,000	
Loading dock doors	2,000	
Windows	20,000	
Loading docks levelers	2,000	
Conveying system	50,000	
Plumbing/sewer	10,000	
Sprinkler system	50,000	
HVAC	50,000	
Electrical	40,000	
Life safety	2,000	
Contingency	3,000	
Site preparation		
Landscaping		5,000
Surface lot		182,950
Planning/legal/studies/fees		
G.C. Fee	50,000	
Architect/engineer	10,000	
Construction supervision	25,000	
Zoning/TIF	37,500	37,500
Development fee	25,000	
Miscellaneous	3,000	
TOTAL	\$4,069,550	\$3,430,450

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EXHIBIT D

**LINCOLN/BELMONT/ ASHLAND
REDEVELOPMENT PROJECT AREA
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

REDEVELOPMENT PLAN AND PROJECT

June, 1994

CITY OF CHICAGO

**Richard M. Daley
Mayor**

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**REDEVELOPMENT PLAN AND PROJECT FOR
LINCOLN/BELMONT/ASHLAND REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCING PROGRAM**

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INTRODUCTION

The Lincoln/Belmont/Ashland Redevelopment Project Area is located in the City of Chicago, Illinois. The Redevelopment Project Area contains approximately 8.96 acres. The Redevelopment Project Area is generally located between Lincoln and Marshfield Avenues and Paulina Street on the west, Henderson and Melrose Streets on the north, Belmont Avenue on the south, and the first alley east of Ashland Avenue on the east. The Redevelopment Project Area is located in the North side of the City in an area of the City of Chicago that has excellent transportation access especially to surrounding city communities. The major access to the Redevelopment Project Area is provided by Ashland, Lincoln, and Belmont Avenues. Public transportation is available via CTA surface buses along major arterial streets, Lincoln, Ashland, and Belmont Avenues. The Kennedy expressway (I-90/94) is available via the Belmont Avenue interchange which is located approximately a mile west of the Project Area. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

The Lincoln/Belmont/Ashland Redevelopment Project Area is located within an area which contains service, retail and residential uses. The Redevelopment Project Area contains major areas which are under-utilized and vacant. The Redevelopment Project Area is located in the Lake View neighborhood. According to the 1990 census figures the Lake View area has a population of 91,031, which is a decrease of 7% over the 1980 census. The residential community is primarily comprised of single-family and two-flat residences which were constructed from the turn of the Century to the present day with the majority of the housing stock predating 1940. Some new housing is being constructed in the nearby area which includes single-family, townhouses, and condominiums. The Redevelopment Project Area is immediately surrounded by commercial/retail uses along the three major arterial streets, Lincoln, Belmont, and Ashland Avenues.

The Lincoln/Belmont/Ashland shopping district had a long established history of being Lake View's main retail/commercial center. In 1987, the focal point of the Lincoln/Belmont/Ashland retail/commercial area, the Wieboldt's Department Store which utilized the "Tower" building and "Annex" buildings closed its operations. The closure of one of Chicago's oldest retail establishments created a negative impact upon the surrounding retail businesses which continues to today. As a result of the Wieboldt's closing, various other related

commercial operations have also closed and the surrounding residential areas are showing signs of neglect and disrepair due at least in part to the economic decline of the area.

In order to redevelop this Redevelopment Project Area numerous and costly improvements will be necessary: including environmental remediation, site improvements, infrastructure, demolition, etc.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the redevelopment of existing buildings and for the development of new commercial and residential facilities on existing vacant and/or under-utilized land. The redevelopment of these buildings is expected to encourage economic revitalization within the community and surrounding area.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation of this Redevelopment Project Area as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The Redevelopment Project Area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in 65 ILCS 5/11-74-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Lincoln/Belmont/Ashland Redevelopment Area Tax Increment Allocation Financing Project Redevelopment Plan and Project (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Lincoln/Belmont/ Ashland Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirements of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments will create the appropriate environment to attract the investment required for the rebuilding of the area. But for the

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investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not be reasonably developed without the use of such incremental revenues.

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REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Lincoln/Belmont/Ashland Redevelopment Project Area is located approximately 4.5 miles northwest of Chicago's Central Business District. The Redevelopment Project Area contains approximately 8.96 acres. The Redevelopment Project Area is generally located between Lincoln and Marshfield Avenues and Paulina Street on the west, Henderson and Melrose Streets on the north, Belmont on the south, and the first alley east of Ashland Avenue on the east.

The legal description of the Lincoln/Belmont/Ashland Redevelopment Project Area is as follows:

That part of the Southeast Quarter of Section 19 and the Southwest Quarter of Section 20, both in Township 40 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the intersection of the centerline of North Lincoln Avenue with the centerline of North Ashland Avenue, being also the East line of said Southeast Quarter of Section 19 and the West line of said Southwest Quarter of Section 20; thence northwesterly along said centerline of North Lincoln Avenue, a distance of 339.65 feet to the easterly extension of the South line of Melrose Street; thence westerly along said South line and the easterly extension thereof, 184.06 feet to the Northeast corner of Lot 41 in Block 10 in Gross' North Addition to Chicago in the Southeast Quarter of Section 19, aforesaid; thence southerly along the East line of said Lot 41 and the southerly extension thereof, 133.00 feet to the centerline of the East-West Public Alley, being 16 feet in width, in said Block 10; thence westerly along said centerline and the westerly extension thereof, 326.00 feet to the centerline of North Paulina Avenue; thence northerly along said centerline, 199.00 feet to the westerly extension of the North line of Melrose Street, aforesaid; thence easterly along said North line and the westerly and easterly extensions thereof, 477.37 feet to the centerline of North Lincoln Avenue, aforesaid; thence northwesterly along said centerline, 334.60 feet to the centerline of North Marshfield Avenue; thence northerly along said centerline of North Marshfield Avenue, 242.31 feet to the Westery extension of the North line of the South 10.00 feet of Lot 33 in Block 8 in G.H.A. Thomas' Subdivision of Blocks 8 and 9 of L. Turner's Subdivision of the Northeast Half of the East Half of the Southeast Quarter of Section 19, aforesaid; thence easterly along said North line and the westerly extension thereof, 157.88 feet to the East line of said Lot 33; thence southerly along said East line, 10.00 feet to the Southeast corner thereof; thence easterly along the North line and the westerly extension thereof, of Lot 17 in said Block 8, a distance of 123.90 feet to the Northeast corner thereof; thence easterly at right angles to the East line of said Lot 17, a distance of 50.00 feet to the centerline of North Ashland Avenue, aforesaid;

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thence northerly along said centerline, 66.99 feet to the westerly extension of the North line of Lot 19 in Block 1 of Sickel and Hufmeyer's Subdivision of the South Half of the North Half of the Southwest Quarter of the Southwest Quarter of Section 20, aforesaid; thence easterly along the North line of said Lot 19 and said westerly extension and the easterly extension of said North line, and the North line of Lots 9 through 18, inclusive, being also the South line of West Henderson Street, 426.00 feet to the Northeast corner of said of Lot 9; thence southerly along the East line of said Lot 9, a distance of 125.20 feet to the southeast corner thereof; thence westerly along the South line of said Lot 9, a distance of 16.00 feet to the Northerly extension of the East line of the West 9.00 feet of Lot 38 in said Block 1; thence Southerly along the East line of said 9.00 feet, and said northerly extension thereof, and the southerly extension thereof, 174.21 feet to the centerline of West School Street; thence westerly along said centerline, 410.14 feet to the centerline of North Ashland Avenue, aforesaid; thence southerly along said centerline of North Ashland Avenue, 670.32 feet to the centerline of North Lincoln Avenue, aforesaid, being the place of beginning, in Cook county, Illinois.

Gross Land Area 8.9631 Acres
Net Usable Area 5.4263 Acres

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REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

General Goals:

- Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the area.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the area.
- Create suitable locations for commerce.
- Create job opportunities.
- Create quality housing.
- Create new retail centers and the accompanying job opportunities.

Redevelopment Objectives:

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial and residential development.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Encourage the assembly of land into parcels that are functionally adaptable with respect to shape and size for redevelopment needs and standards.
- Provide needed incentives to encourage improvements for new development efforts.

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- Provide needed incentives to encourage a broad range of improvements in both new commercial and residential development and rehabilitation efforts.
- Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

Development and Design Objectives

- Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- Encourage coordinated development of parcels and structures in order to achieve efficient building design.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- Ensure a safe and adequate circulation pattern, adequate ingress and egress and capacity in the project area.
- Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.

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BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc. the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. A separate report entitled Eligibility Study Of A Proposed Redevelopment Project Area For Tax Increment Financing In The Lincoln/Belmont/ Ashland Study Area Chicago Illinois, dated June, 1994 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of the Eligibility Report: The Redevelopment Project Area is characterized by the presence of eight of the blighting factors as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

- Of the fourteen factors set forth in the law, eight are present in the Redevelopment Project Area.
- The blighting factors which are present are reasonably distributed throughout the Redevelopment Project Area.
- All areas within the Redevelopment Project Area show the presence of blighting factors.

The following factors are present within the improved area:

1. **Age**
Age as a factor is present to a major extent in 2 of the 4 blocks. Of the 10 total buildings in the Study Area, 8 (80 percent) are 35 years of age or older.
2. **Dilapidation**
Dilapidation is present in one block containing one building.
3. **Obsolescence**
Obsolescence as a factor is present in 4 of the 4 blocks. Conditions contributing to this factor include obsolete buildings and obsolete platting. One building and one block is characterized by obsolescence as the result of an irregularly shaped parcel.

4. **Deterioration**
Deterioration as a factor is present in 4 of the 4 blocks of the Study Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking, site surface areas, and deteriorating street pavement, curbs, gutters and sidewalks. A total of 9 of the 10 buildings (90%) are characterized by deterioration, and 18 of the 25 parcels (72%) of the Study Area exhibit signs of deterioration.

5. **Presence Of Structures Below Minimum Code Standards**
One structure within the Study Area, contains evidence of being below minimum code based upon the exterior survey. Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property.

6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in 4 of the 4 blocks. Nine buildings are significantly or totally vacant representing 90% of the buildings and 3.14 acres land are vacant.

7. **Deleterious Land-Use or Layout**
Deleterious land-use or layout is present in all blocks of the Study Area. Conditions contributing to this factor include parcels of irregular shape and limited size. Two large tracts of vacant and under-utilized land exists, and nine vacant including one dilapidated structure exists within the area along with one parcel of property which is triangularly shaped.

8. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance is present in all 4 blocks. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking areas, and site improvements including streets, alleys, walks, curbs gutters and utilities.

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9. **Lack of Community Planning**

The Study Area contains four blocks of which 2 1/2 blocks are located within the Commercial District Development Commission's 1990 Redevelopment Plan for the Lincoln / Belmont / Ashland Commercial Area. The 1 1/2 blocks not located within the above referenced Plan lack an overall plan for coordinated development on a block by block and parcel by parcel basis. However, based on our review lack of community planning is not exhibited throughout the Study Area

The conclusion of the consultant team engaged to conduct the study is that the number, degree and distribution of blighting factors as documented in this report warrant the designation of all of the Study Area as a "blighted area" as set forth in the "Act." Specifically:

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing and previous uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses and users;
6. Analysis of original and current platting and building size layout;
7. Analysis of tax delinquency; and
8. Review of previously prepared plans, studies and data.

Based upon the findings of the Eligibility Study for the LINCOLN/BELMONT/ASHLAND Study Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be

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anticipated to be developed without the adoption of this Redevelopment Plan. But for the investment of seed funds by the City, the proposed developments would not be financially feasible and would not go forward.

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LINCOLN/BELMONT/ ASHLAND REDEVELOPMENT PLAN AND PROJECT

A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. Assemblage of Sites. To achieve the renewal of the Redevelopment Project Area, property identified in Map 3 Redevelopment Plan, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own.

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. Provision of Public Improvements and Facilities. Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Reconstruction of interior streets
 - b. Provision of utilities necessary to serve the redevelopment.
3. Provision for Soil and Site Improvements. Funds may be made available for improvements to properties for the purpose of making land suitable for development.

- a. **Entering into a redevelopment agreement for necessary site improvements in the Redevelopment Project Area.**
 - b. **Environmental remediation necessary for redevelopment of the Redevelopment Project Area.**
4. **Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan. Requirements for site improvement and public improvements may also be included in the Redevelopment Agreements.**

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The Redevelopment Plan proposes the redevelopment of the Lincoln/Belmont/Ashland Area, to stimulate or stabilize not only the Redevelopment Project Area but also the properties within the surrounding area. This plan proposes the following redevelopment improvements which are located within the Lincoln/Belmont/Ashland Area, (see Map 3):

1. Property east of Ashland Avenue consists of an approximately 64,000 square foot parcel of vacant land located east of Ashland Avenue between School and Henderson Streets. The property, which was formally used as the Wieboldt's customer parking area is bounded on the south by School Street, on the north by Henderson Street, on the west by the La Salle Bank drive-through facility, and on the east by single and multi-family residences.

Approximately 48 townhomes will be developed on this parcel with a total of approximately 95,000 square feet of new construction. The townhomes will range in size from 1,000 square feet to 2,500 square feet. All of the homes will have classic

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brick facades, attached garage parking, and private outdoor spaces with either balconies, patios, or roof decks.

- 2. **Property west of Ashland and south of School Street, known as "The Tower", was formally operated as the Wieboldt's retail store and is located on the south side of School Street between Ashland and Lincoln Avenues. This property consists of a part two-story and part seven-story brick building of approximately 170,000 square feet. The building will be redeveloped with retail on the first floor (37,105 square feet) and a portion of the second floor (20,000 square feet), and loft residential units on floors 2 through 7. The loft units will range in size from 800-1,500 square feet. Common area features will include a secure indoor parking garage in the basement, an exercise room, and a common area roof deck on the top of the seven story building.**

- 3. **Property west of Ashland Avenue, east of Marshfield Avenue, and north of School Street, known as the "Annex" property is improved with several buildings. The eastern building, known as the Wieboldt's Annex, was formally used by Wieboldt's to merchandise furniture and for loading purposes. The Annex building, which is a two-story structure of 42,000 square feet will be demolished and the land will be improved for retail surface parking. The basement of the "Annex" will be developed for additional residential parking for the "Tower" condominiums. An existing passage under School Street will be renovated so that occupants of the Tower condominiums can go from the underground parking garage to the "Tower" property. An alley to the west of the Annex separates the Wieboldt's Annex from five (5) one and two-story buildings which front onto Marshfield Avenue and total approximately 20,000 square feet. These buildings, which were not part of the former Wieboldt's operation will also be razed and a 30,000 square foot retail store with a multi-level parking structure above will be built in their place. The parking facility will be used to service both the retail tenants in the "Annex" and "Tower" properties and will accommodate approximately 321 cars.**

- 4. **Property on the north corner of Lincoln/Belmont/Ashland, known as the "Price" property, is an improved parcel with a two-story building which contains approximately 12,000 square feet per floor. The Price property will be renovated if**

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feasible or will be demolished and improved with a building of similar size for commercial use.

5. **The property along Melrose and Paulina, the City-owned parking lot, will not be redeveloped at this time. The lot may be resurfaced or redeveloped at a later date.**

The proposed Lincoln/Belmont/Ashland Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for activities permitted by the Illinois Compiled Statutes. The funds for said improvements will come directly from the incremental increase in tax revenues generated from the entire Redevelopment Project Area or the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. A developer or user will undertake the responsibility for the required site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project.

C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land uses and development policies for the City as a whole as currently provided by the City of Chicago Zoning Ordinances.

The proposed land use institutes changes within the area bounded on the west by Lincoln and Marshfield Avenues and Paulina Street, on the north by Henderson and Melrose Streets, on the east by the first alley east of Ashland Avenue, and on the south by Belmont Avenue. It was determined that the proposed residential and commercial development is in conformity with existing zoning and if any zoning changes are required they will need to be undertaken.

D. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

- 9. **Payment in lieu of taxes;**

- 10. **Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;**

- 11. **Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:**
 - a. **such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;**

 - b. **such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;**

 - c. **if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and**

 - d. **the total of such interest payments paid pursuant to this Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.**

- 12. **Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.**

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The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs incurred prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

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TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Land Acquisition	\$ 6,000,000
Demolition	\$ 535,000
Environmental Remediation	\$ 300,000
Renovation of Existing Structures	\$ 3,135,000
Site Preparation	\$ 270,000
Public Improvements	\$ 32,000
Planning, legal, studies	\$ 470,000

TOTAL PROJECT COST* \$ 10,742,000

*Exclusive of capitalized interest, issuance costs and other financing costs

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and/or municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each

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such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate such as municipal sales taxes, municipal amusement taxes, generated from the district. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Redevelopment Project Area.

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (2017) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (2014) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real

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property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total 1992 equalized assessed valuation for the entire Redevelopment Project Area is \$2,210,398. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation".

Anticipated Equalized Assessed Valuation

By the year 1998 when it is estimated that initial commercial and residential development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$10,000,000 and \$12,000,000. These estimates are based on several key assumptions, including: 1) all commercial re-development will be completed in 1996; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 2.0897 as applied to 1992 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1992 level.

F. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in the Blighted Area Conditions Section of this Redevelopment Project and Plan Report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. Although some rehabilitation has occurred on a limited and scattered basis, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. No large scale projects have been

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initiated in over 20 years. The lack of private investment is evidenced by continued existence of blight, large tracts of vacant land and the limited number of new development projects undertaken on a planned basis.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the blighting conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Project and Plan.

G. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the blighted conditions will continue to exist and spread, and the whole area will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Section A, E, & C of this Redevelopment Project and Plan describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged with various developments taking place over a period of years. If the redevelopment project is successful, various new private projects will be undertaken that will assist in alleviating blighted conditions, creating new jobs and promoting development in the area.

The Redevelopment Project is expected to have short and long term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax increment revenues (from the increases in Equal Assessed Valuation (EAV) over and above the certified initial EAV established at the time of adoption of this Project and Plan) will be used to pay eligible redevelopment project costs for the Tax Increment Financing District. At the end of the TIF time period, the real estate tax

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revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

H. DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education; Chicago School Finance Authority; Chicago Park District; Chicago Community College District; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Redevelopment Plan involves the acquisition of vacant and under-utilized buildings, new construction of commercial and residential buildings, and the improvement of existing commercial buildings. Therefore, the financial burden of the redevelopment project on taxing districts is expected to be negligible.

Non-residential development, such as retail, commercial, office, hotel, public and institutional uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Metropolitan Water Reclamation District. Replacement of vacant and under-utilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Metropolitan Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District.

Residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, Metropolitan Water Reclamation District, and City. New private investment in residential and non-residential development, and public investment in infrastructure improvements may increase the demand for public services or capital improvements provided by the City of Chicago and the Chicago Park District within and adjacent to the Redevelopment Project Area. These public services or capital improvements may include but are not necessarily limited to, the provision of additional open spaces and recreational

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facilities by the Chicago Park District. However, it is not possible at this time to predict, with any degree of reliability, (i) the number or timing of new or rehabilitated residential buildings that may be added within the Redevelopment Project Area, or (ii) the increased level of demand for services or capital improvements to be provided by any taxing district as a result therefrom.

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

I. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described in detail in prior sections of this report, the complete scale and amount of development in the Redevelopment Area cannot be predicted with complete certainty at this time and the demand for services provided by those taxing cannot be quantified at this time.

As indicated in Section D, Estimated Redevelopment Project Costs of the Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.

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PROVISION FOR AMENDING ACTION PLAN

The LINCOLN/BELMONT/ASHLAND Redevelopment Project Area Tax Increment
Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

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AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the LINCOLN/BELMONT/ASHLAND Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

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LEGAL DESCRIPTION

That part of the Southeast Quarter of Section 19 and the Southwest Quarter of Section 20, both in Township 40 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the intersection of the centerline of North Lincoln Avenue with the centerline of North Ashland Avenue, being also the East line of said Southeast Quarter of Section 19 and the West line of said Southwest Quarter of Section 20; thence northwesterly along said centerline of North Lincoln Avenue, a distance of 339.65 feet to the easterly extension of the South line of Melrose Street; thence westerly along said South line and the easterly extension thereof, 184.06 feet to the Northeast corner of Lot 41 in Block 10 in Gross' North Addition to Chicago in the Southeast Quarter of Section 19, aforesaid; thence southerly along the East line of said Lot 41 and the southerly extension thereof, 133.00 feet to the centerline of the East-West Public Alley, being 16 feet in width, in said Block 10; thence westerly along said centerline and the westerly extension thereof, 326.00 feet to the centerline of North Paulina Avenue; thence northerly along said centerline, 199.00 feet to the westerly extension of the North line of Melrose Street, aforesaid; thence easterly along said North line and the westerly and easterly extensions thereof, 477.37 feet to the centerline of North Lincoln Avenue, aforesaid; thence northwesterly along said centerline, 334.60 feet to the centerline of North Marshfield Avenue; thence northerly along said centerline of North Marshfield Avenue, 242.31 feet to the Westery extension of the North line of the South 10.00 feet of Lot 33 in Block 8 in G.H.A. Thomas' Subdivision of Blocks 8 and 9 of L. Turner's Subdivision of the Northeast Half of the East Half of the Southeast Quarter of Section 19, aforesaid; thence easterly along said North line and the westerly extension thereof, 157.88 feet to the East line of said Lot 33; thence southerly along said East line, 10.00 feet to the Southeast corner thereof; thence easterly along the North line and the westerly extension thereof, of Lot 17 in said Block 8, a distance of 123.90 feet to the Northeast corner thereof; thence easterly at right angles to the East line of said Lot 17, a distance of 50.00 feet to the centerline of North Ashland Avenue, aforesaid; thence northerly along said centerline, 66.99 feet to the westerly extension of the North line of Lot 19 in Block 1 of Sickel and Hutmeyer's Subdivision of the South Half of the North Half of the Southwest Quarter of the Southwest Quarter of Section 20, aforesaid; thence easterly along the North line of said Lot 19 and said westerly extension and the easterly extension of said North line, and the North line of Lots 9 through 18, inclusive, being also the South line of West Henderson Street, 426.00 feet to the Northeast corner of said of Lot 9; thence southerly along the East line of said Lot 9, a distance of 125.20 feet to the southeast corner thereof; thence westerly along the South line of said Lot 9, a distance of 16.00 feet to the Northerly extension of the East line of the West 9.00 feet of Lot 38 in said Block 1; thence Southerly along the East line of said 9.00 feet, and said northerly extension thereof, and the southerly extension thereof, 174.21 feet to the centerline of West School Street; thence westerly along said centerline, 410.14 feet to the centerline of North Ashland Avenue, aforesaid; thence southerly along said centerline of North Ashland Avenue, 670.32 feet to the centerline of North Lincoln Avenue, aforesaid, being the place of beginning, in Cook County, Illinois.

Gross Land Area 8.9631 Acres/ Net Usable Area 5.4263 Acres

TABLE 1

ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Land Acquisition	\$ 6,000,000
Demolition	\$ 535,000
Environmental Remediation	\$ 300,000
Renovation of Existing Structures	\$ 3,135,000
Site Preparation	\$ 270,000
Public Improvements	\$ 32,000
Planning, legal, studies	\$ 470,000
TOTAL PROJECT COST*	\$ 10,742,000

*Exclusive of capitalized interest, issuance costs and other financing costs

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TABLE 2
1992 EQUALIZED ASSESSED VALUATION

Perm Index #	1992 EAV
14-19-426-008	\$44,544
-011	\$29,082
-012	\$24,824
-027	\$179,424
-030	\$51,806
-031	\$93,713
14-19-431-001	\$262,569
-002	\$99,186
-003	\$544,145
14-19-435-003	EXEMPT
-004	EXEMPT
-009	EXEMPT
-038	EXEMPT
-039	EXEMPT
-040	EXEMPT
14-20-320-001	\$148,680
-002	\$37,134
-003	\$90,787
-004	\$90,787
-005	\$90,787
-008	\$90,787
007	\$100,061
-034	\$2,104
-043	\$120,875
-044	\$109,103
TOTALS	\$2,210,398

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MAPS

- Map 1 **Redevelopment Project Boundaries**

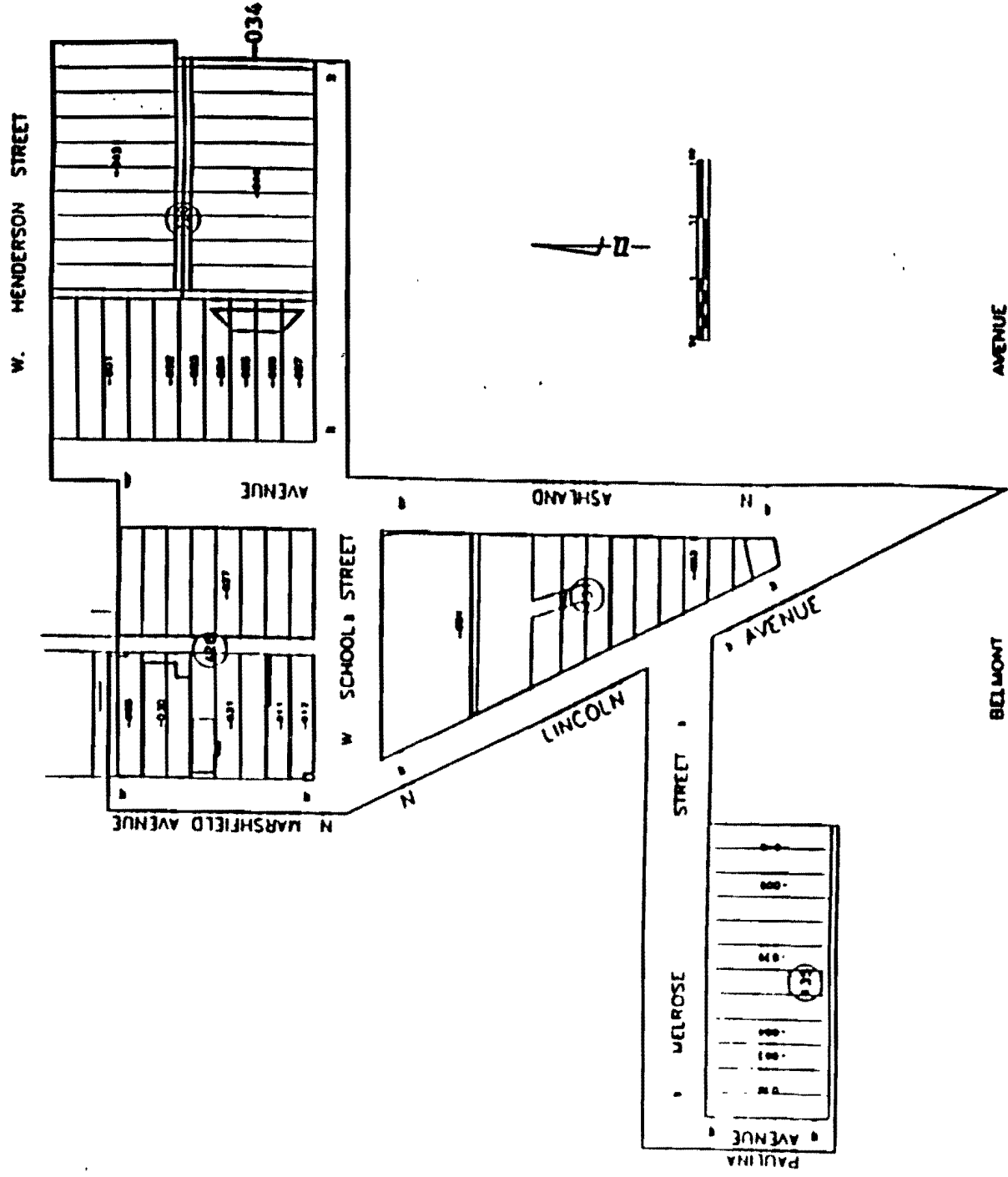
- Map 2 **Existing Land-Use**

- Map 3 **Redevelopment Plan / Proposed Land-Use**

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Map 1 Project: Belmont / Ashland

BELMONT ASHLAND AREA T.I.F.

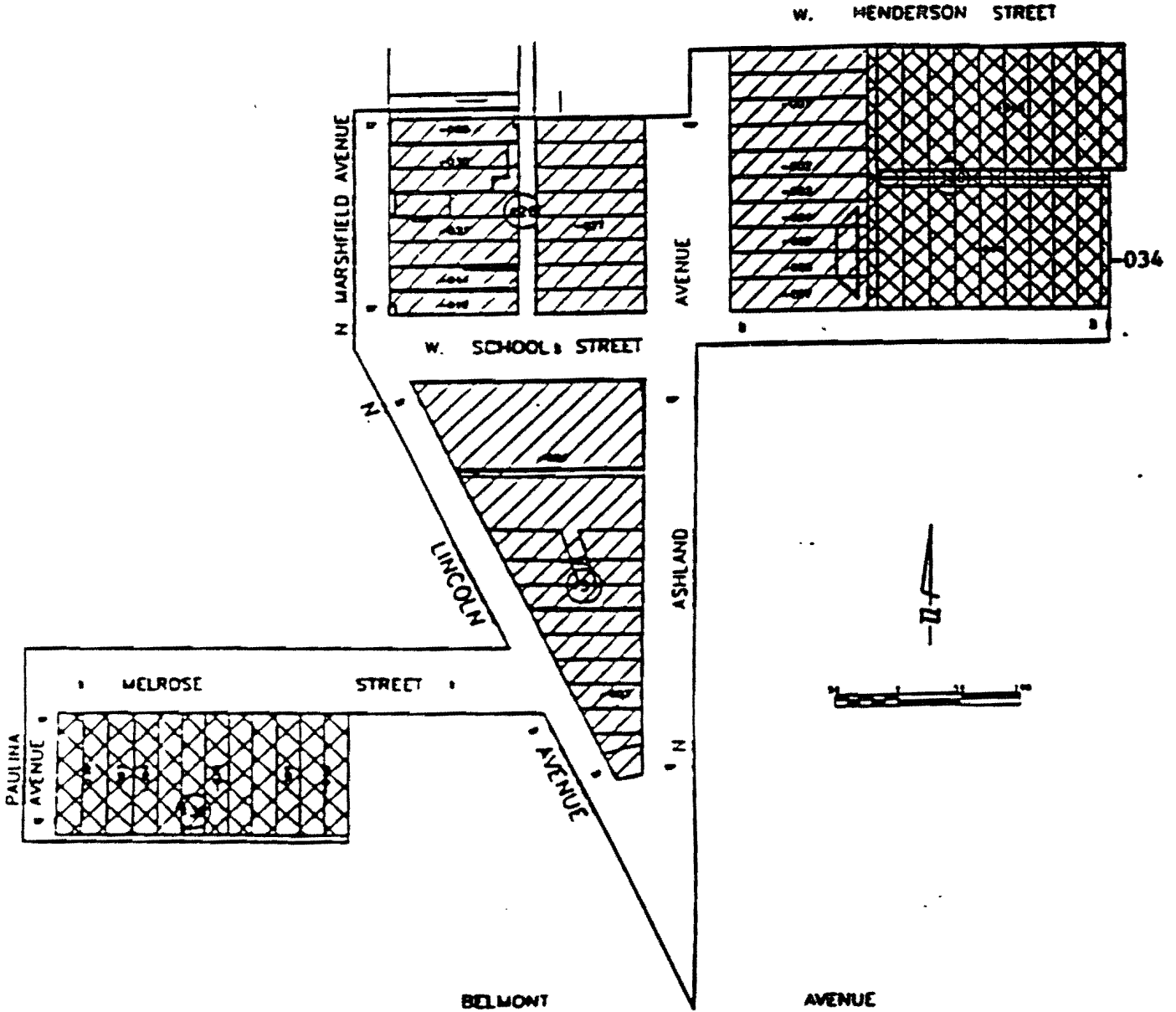


PROJECT BOUNDARY



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Lincoln / Belmont / Ashland
Redevelopment Plan
City of Chicago
June, 1994
Prepared By: Insite / Schneider & Associates Inc.

LINCOLN BELMONT ASHLAND AREA T.I.F.



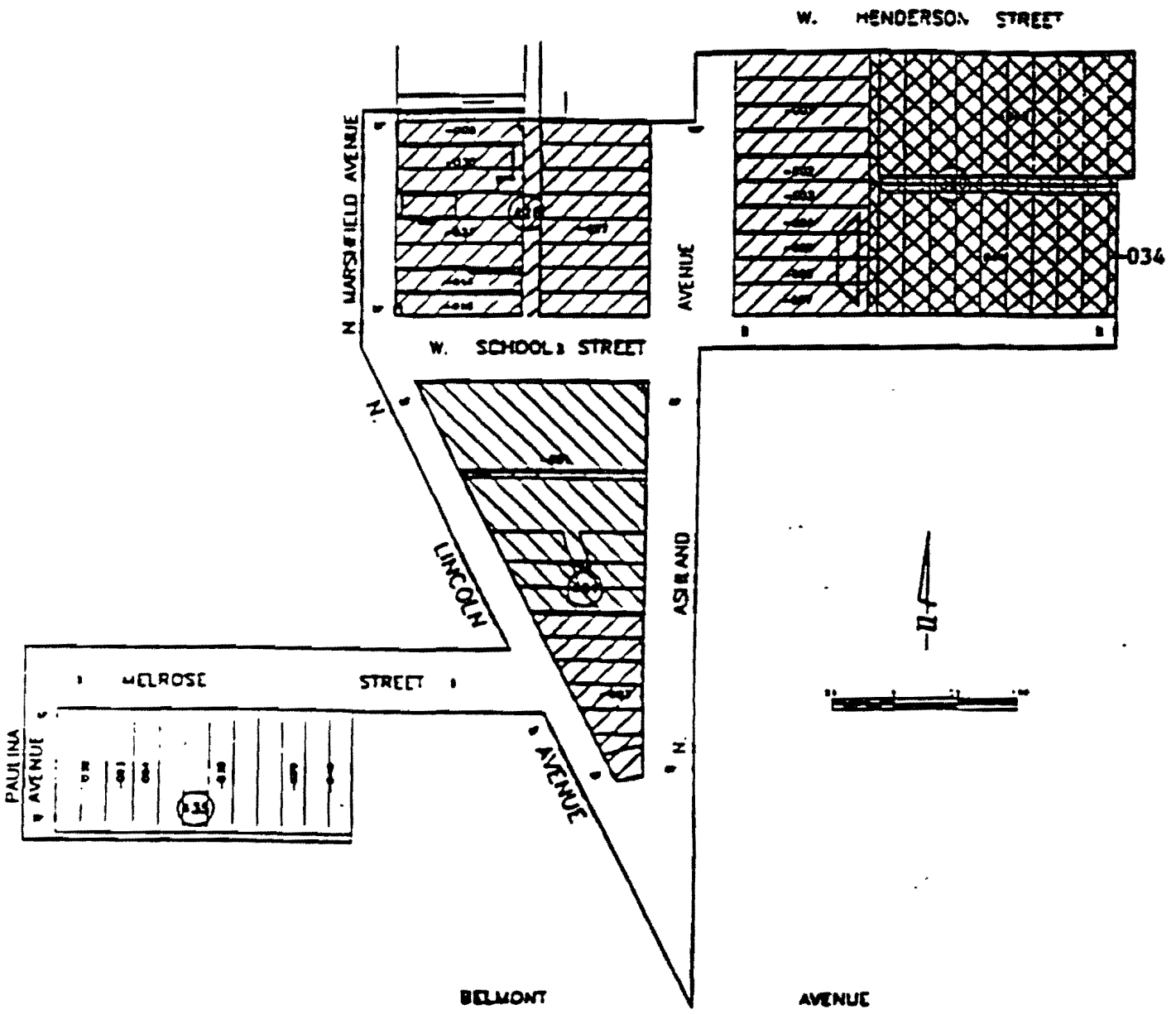
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-  Retail / Commercial
-  Parking / Vacant

Lincoln / Belmont / Ashland
 Redevelopment Plan
 City of Chicago
 June, 1994

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LINCOLN BELMONT ASHLAND AREA T.I.F.



-  Retail / Commercial
-  Residential
-  Mixed Use

Lincoln / Belmont / Ashland
Redevelopment Plan
City of Chicago
June 1982

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EXHIBIT E

CONSTRUCTION CONTRACT

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AIA Document A111

Standard Form of Agreement Between Owner and Contractor

where the basis of payment is the
COST OF THE WORK PLUS A FEE
with or without a Guaranteed Maximum Price

1987 EDITION

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION.

The 1987 Edition of AIA Document A201 General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by The Associated General Contractors of America.

AGREEMENT

made as of the _____ day of _____ in the year of
Nineteen Hundred and _____

BETWEEN the Owner:
(Name and address)

and the Contractor
(Name and address)

the Project is:
(Name and address)

the Architect is
(Name and address)

The Owner and Contractor agree as set forth below.

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ARTICLE 1
THE CONTRACT DOCUMENTS

1.1 The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 16. If anything in the other Contract Documents is inconsistent with this Agreement, this Agreement shall govern.

ARTICLE 2
THE WORK OF THIS CONTRACT

2.1 The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, or as follows:

ARTICLE 3
RELATIONSHIP OF THE PARTIES

3.1 The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and utilize the Contractor's best skill, efforts and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to make best efforts to furnish at all times an adequate supply of workers and materials; and to perform the Work in the best way and most expeditious and economical manner consistent with the interests of the Owner. The Owner agrees to exercise best efforts to enable the Contractor to perform the Work in the best way and most expeditious manner by furnishing and approving in a timely way information required by the Contractor and making payments to the Contractor in accordance with requirements of the Contract Documents.

ARTICLE 4
DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

4.1 The date of commencement is the date from which the Contract Time of Subparagraph 4.2 is measured; it shall be the date of this Agreement as first written above unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

Unless the date of commencement is established by a notice to proceed issued by the Owner, the Contractor shall notify the Owner in writing not less than five days before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

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4.2 The Contractor shall achieve Substantial Completion of the entire Work not later than

(Insert the calendar date or number of calendar days after the date of commencement. Also insert any requirements for earlier Substantial Completion of certain portions of the Work, if not stated elsewhere in the Contract Documents.)

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time.)

**ARTICLE 5
CONTRACT SUM**

5.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum consisting of the Cost of the Work as defined in Article 7 and the Contractor's Fee determined as follows:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee, and explain how the Contractor's Fee is to be adjusted for changes in the Work.)

5.2 GUARANTEED MAXIMUM PRICE (IF APPLICABLE)

5.2.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed _____ Dollars (\$ _____),

subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

(Insert specific provisions if the Contractor is to participate in any savings.)

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5.2.2 The Guaranteed Maximum Price is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates, but only if a Guaranteed Maximum Price is inserted in Subparagraph 5.2.1. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amounts for each and the date until which that amount is valid.)

5.2.3 The amounts agreed to for unit prices, if any, are as follows:

(State unit prices only if a Guaranteed Maximum Price is inserted in Subparagraph 5.2.1.)

ARTICLE 6

CHANGES IN THE WORK

6.1 CONTRACTS WITH A GUARANTEED MAXIMUM PRICE

6.1.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Subparagraph 7.3.3 of the General Conditions

6.1.2 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Clause 7.3.3 of the General Conditions and the terms "costs" and "a reasonable allowance for overhead and profit" as used in Subparagraph 7.3.6 of the General Conditions shall have the meanings assigned to them in the General Conditions and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

6.1.3 In calculating adjustments to this Contract, the terms "cost" and "costs" as used in the above-referenced provisions of the General Conditions shall mean the Cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as defined in Paragraph 5.1 of this Agreement.

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6.2 CONTRACTS WITHOUT A GUARANTEED MAXIMUM PRICE

6.2.1 Increased costs for the items set forth in Article 7 which result from changes in the Work shall become part of the Cost of the Work, and the Contractor's Fee shall be adjusted as provided in Paragraph 5.1.

6.3 ALL CONTRACTS

6.3.1 If no specific provision is made in Paragraph 5.1 for adjustment of the Contractor's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Paragraph 5.1 will cause substantial inequity to the Owner or Contractor, the Contractor's Fee shall be equitably adjusted on the basis of the Fee established for the original Work.

ARTICLE 7

COSTS TO BE REIMBURSED

7.1 The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

7.1.1 LABOR COSTS

7.1.1.1 Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's agreement, at off-site workshops

7.1.1.2 Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site with the Owner's agreement

(If it is intended that the wages or salaries of certain personnel stationed at the Contractor's principal or other offices shall be included in the Cost of the Work, identify in Article 14 the personnel to be included and whether for all or only part of their time.)

7.1.1.3 Wages and salaries of the Contractor's supervisory or administrative personnel engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work

7.1.1.4 Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Clauses 7.1.1.1 through 7.1.1.3

7.1.2 SUBCONTRACT COSTS

Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts.

7.1.3 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

7.1.3.1 Costs including transportation, of materials and equipment incorporated or to be incorporated in the completed construction.

7.1.3.2 Costs of materials described in the preceding Clause 7.1.3.1 in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage. Unused excess materials, if any, shall be handed over to the Owner at the completion of the Work or, at the Owner's option, shall be sold by the Contractor, amounts realized, if any, from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

7.1.4 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

7.1.4.1 Costs including transportation, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machines, equipment and hand tools not customarily owned by the construction workers, which are provided by the Contractor at the site and fully consumed in the performance of the Work, and cost less salvage value on such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

7.1.4.2 Rental charges for temporary facilities, machines, equipment and hand tools not customarily owned by the construction workers, which are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

7.1.4.3 Costs of removal of debris from the site

7.1.4.4 Costs of telegrams and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office

7.1.4.5 That portion of the reasonable travel and subsistence expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work

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7.1.5 MISCELLANEOUS COSTS

7.1.5.1 That portion directly attributable to this Contract of premiums for insurance and bonds.

7.1.5.2 Sales, use or similar taxes imposed by a governmental authority which are related to the Work and for which the Contractor is liable.

7.1.5.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.

7.1.5.4 Fees of testing laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Subparagraph 13.5.3 of the General Conditions or other provisions of the Contract Documents and which do not fall within the scope of Subparagraphs 7.2.2 through 7.2.4 below.

7.1.5.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement by the Contract Documents; payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's consent; provided, however, that such costs of legal defenses, judgment and settlements shall not be included in the calculation of the Contractor's Fee or of a Guaranteed Maximum Price, if any, and provided that such royalties, fees and costs are not excluded by the last sentence of Subparagraph 3.17.1 of the General Conditions or other provisions of the Contract Documents.

7.1.5.6 Deposits lost for causes other than the Contractor's fault or negligence.

7.1.6 OTHER COSTS

7.1.6.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

7.2 EMERGENCIES: REPAIRS TO DAMAGED, DEFECTIVE OR NONCONFORMING WORK

The Cost of the Work shall also include costs described in Paragraph 7.1 which are incurred by the Contractor:

7.2.1 In taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Paragraph 10.3 of the General Conditions.

7.2.2 In repairing or correcting Work damaged or improperly executed by construction workers in the employ of the Contractor, provided such damage or improper execution did not result from the fault or negligence of the Contractor or the Contractor's foremen, engineers or superintendents or other supervisory, administrative or managerial personnel of the Contractor.

7.2.3 In repairing damaged Work other than that described in Subparagraph 7.2.2, provided such damage did not result from the fault or negligence of the Contractor or the Contractor's personnel, and only to the extent that the cost of such repairs is not recoverable by the Contractor from others and the Contractor is not compensated therefor by insurance or otherwise.

7.2.4 In correcting defective or nonconforming Work performed or supplied by a Subcontractor or material supplier and not corrected by them, provided such defective or nonconforming Work did not result from the fault or neglect of the Contractor or the Contractor's personnel adequately to supervise and direct the Work of the Subcontractor or material supplier, and only to the extent that the cost of correcting the defective or nonconforming Work is not recoverable by the Contractor from the Subcontractor or material supplier.

ARTICLE 8

COSTS NOT TO BE REIMBURSED

8.1 The Cost of the Work shall not include

8.1.1 Salaries and other compensation of the Contractor's personnel stationed at the Contractor's principal office or offices other than the site office, except as specifically provided in Clauses 7.1.1.2 and 7.1.1.3 or as may be provided in Article 14.

8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

8.1.3 Overhead and general expenses, except as may be expressly included in Article 7.

8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

8.1.5 Rental costs of machinery and equipment, except as specifically provided in Clause 7.1.4.2.

8.1.6 Except as provided in Subparagraphs 7.2.2 through 7.2.4 and Paragraph 13.5 of this Agreement, costs due to the fault or negligence of the Contractor, subcontractors, anyone directly or indirectly employed by any of them, or for whose acts any of them may be liable, including but not limited to costs for the correction of damaged, defective or nonconforming Work, disposal and replacement of materials and equipment incorrectly ordered or supplied, and making good damage to property not forming part of the Work.

8.1.7 Any cost not specifically and expressly described in Article 7.

8.1.8 Costs which would cause the Guaranteed Maximum Price, if any, to be exceeded.

ARTICLE 9
DISCOUNTS, REBATES AND REFUNDS

9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

9.2 Amounts which accrue to the Owner in accordance with the provisions of Paragraph 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10
SUBCONTRACTS AND OTHER AGREEMENTS

10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The Contractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner will then determine, with the advice of the Contractor and subject to the reasonable objection of the Architect, which bids will be accepted. The Owner may designate specific persons or entities from whom the Contractor shall obtain bids; however, if a Guaranteed Maximum Price has been established, the Owner may not prohibit the Contractor from obtaining bids from others. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

10.2 If a Guaranteed Maximum Price has been established and a specific bidder among those whose bids are delivered by the Contractor to the Architect (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid which conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

10.3 Subcontracts or other agreements shall conform to the payment provisions of Paragraphs 12.7 and 12.8, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

ARTICLE 11
ACCOUNTING RECORDS

11.1 The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded access to the Contractor's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract, and the Contractor shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 12
PROGRESS PAYMENTS

12.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract sum to the Contractor as provided below and elsewhere in the Contract Documents.

12.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

12.3 Provided an Application for Payment is received by the Architect not later than the _____ day of a month, the Owner shall make payment to the Contractor not later than the _____ day of the _____ month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than _____ days after the Architect receives the Application for Payment.

12.4 With each Application for Payment the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor, less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment; plus (4) retainage provided in subparagraph 12.5.4, if any, applicable to prior progress payments.

12.5 CONTRACTS WITH A GUARANTEED MAXIMUM PRICE

12.5.1 Each Application for Payment shall be based upon the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

12.5.2 Applications for Payment shall show the percentage completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed or (2) the percentage obtained by dividing (a) the expense which has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

12.5.3 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

12.5.3.1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute may be included as provided in Subparagraph 7.3.7 of the General Conditions, even though the Guaranteed Maximum Price has not yet been adjusted by Change Order.

12.5.3.2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing

12.5.3.3 Add the Contractor's Fee, less retainage of _____ percent (_____ %). The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in Paragraph 5.1 or, if the Contractor's Fee is stated as a fixed sum in that Paragraph, shall be an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work in the two preceding Clauses bears to a reasonable estimate of the probable Cost of the Work upon its completion

12.5.3.4 Subtract the aggregate of previous payments made by the Owner.

12.5.3.5 Subtract the shortfall, if any, indicated by the Contractor in the documentation required by Paragraph 12.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation.

12.5.3.6 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of the General Conditions

12.5.4 Additional retainage, if any, shall be as follows

(If it is intended to retain additional amounts from progress payments in the Contractor beyond (1) the retainage from the Contractor's Fee provided in Clause 12.5.3.3 (2) the retainage from subcontractors provided in Paragraph 12.7 below; and (3) the retainage, if any, provided by other provisions of the Contract, insert provisions for such additional retainage here. Such provision, if made, should also describe any arrangement for limiting or reducing the amount retained after the Work reaches a certain state of completion.)

12.6 CONTRACTS WITHOUT A GUARANTEED MAXIMUM PRICE

12.6.1 Applications for Payment shall show the Cost of the Work actually incurred by the Contractor through the end of the period covered by the Application for Payment and for which the Contractor has made or intends to make actual payment prior to the next Application for Payment

12.6.2 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

12.6.2.1 Take the Cost of the Work as described in Subparagraph 12.6.1

12.6.2.2 Add the Contractor's Fee, less retainage of _____ percent (_____ %). The Contractor's Fee shall be computed upon the Cost of the Work described in the preceding Clause 12.6.2.1 at the rate stated in Paragraph 5.1 or, if the Contractor's Fee is stated as a fixed sum in that Paragraph, an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work in the preceding Clause bears to a reasonable estimate of the probable Cost of the Work upon its completion.

12.6.2.3 Subtract the aggregate of previous payments made by the Owner.

12.6.2.4 Subtract the shortfall, if any, indicated by the Contractor in the documentation required by Paragraph 12.4 or to substantiate prior Applications for Payment or resulting from errors subsequently discovered by the Owner's accountants in such documentation

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12.6.2.5 Subtract amounts, if any, for which the Architect has withheld or withdrawn a Certificate for Payment as provided in the Contract Documents.

12.6.3 Additional retainage, if any, shall be as follows:

12.7 Except with the Owner's prior approval, payments to Subcontractors included in the Contractor's Applications for Payment shall not exceed an amount for each Subcontractor calculated as follows:

12.7.1 Take that portion of the Subcontract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Subcontractor's Work by the share of the total Subcontract Sum allocated to that portion in the Subcontractor's schedule of values, less retainage of _____ percent (_____ %). Pending final determination of amounts to be paid to the Subcontractor for changes in the Work, amounts not in dispute may be included as provided in Subparagraph 7.3 of the General Conditions even though the Subcontract Sum has not yet been adjusted by Change Order.

12.7.2 Add that portion of the Subcontract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing, less retainage of _____ percent (_____ %).

12.7.3 Subtract the aggregate of previous payments made by the Contractor to the Subcontractor.

12.7.4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment by the Owner to the Contractor for reasons which are the fault of the Subcontractor.

12.7.5 Add, upon Substantial Completion of the entire Work of the Contractor, a sum sufficient to increase the total payments to the Subcontractor to _____ percent (_____ %) of the Subcontract Sum, less amounts, if any, for incomplete Work and unsettled claims, and, if final completion of the entire Work is thereafter materially delayed through no fault of the Subcontractor, add any additional amounts payable on account of Work of the Subcontractor in accordance with Subparagraph 9.10.3 of the General Conditions.

(If it is intended to provide for Substantial Completion of the entire Work of the Contractor to reduce or limit the retainage from Subcontractors resulting from the percentages inserted in subparagraphs 12.7.1 and 12.7.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

The Subcontract Sum is the total amount stipulated in the subcontract to be paid by the Contractor to the Subcontractor for the Subcontractor's performance of the subcontract.

12.8 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

12.9 In taking action on the Contractor's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Paragraph 12.4 or other supporting data, that the Architect has made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examination, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

ARTICLE 13 FINAL PAYMENT

13.1 Final payment shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor except for the Contractor's responsibility to correct defective or nonconforming Work, as provided in Subparagraph 12.2.2 of the General Conditions, and to satisfy other requirements, if any, which necessarily survive final payment; (2) a final Application for Pay-

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ment and a final accounting for the Cost of the Work have been submitted by the Contractor and reviewed by the Owner's accountants; and (3) a final Certificate for Payment has then been issued by the Architect; such final payment shall be made by the Owner not more than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

13.2 The amount of the final payment shall be calculated as follows:

13.2.1 Take the sum of the Cost of the Work substantiated by the Contractor's final accounting and the Contractor's Fee; but not more than the Guaranteed Maximum Price, if any

13.2.2 Subtract amounts, if any, for which the Architect withholds, in whole or in part, a final Certificate for Payment as provided in Subparagraph 9.5.1 of the General Conditions or other provisions of the Contract Documents.

13.2.3 Subtract the aggregate of previous payments made by the Owner.

If the aggregate of previous payments made by the Owner exceeds the amount due the Contractor, the Contractor shall reimburse the difference to the Owner.

13.3 The Owner's accountants will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Paragraph 13.1 have been met, the Architect will within seven days after receipt of the written report of the Owner's accountants, either issue to the Owner a final Certificate for Payment with a copy to the Contractor, or notify the Contractor and Owner in writing of the Architect's reasons for withholding a certificate as provided in Subparagraph 9.5.1 of the General Conditions. The time periods stated in this Paragraph 13.3 supersede those stated in Subparagraph 9.4.1 of the General Conditions.

13.4 If the Owner's accountants report the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to demand arbitration of the disputed amount without a further decision of the Architect. Such demand for arbitration shall be made by the Contractor within 30 days after the Contractor's receipt of a copy of the Architect's final Certificate for Payment. Failure to demand arbitration within this 30-day period shall result in the substantiated amount reported by the Owner's accountants becoming binding on the Contractor. Pending a final resolution by arbitration, the Owner shall pay the Contractor the amount certified in the Architect's final Certificate for Payment.

13.5 If subsequent to final payment and at the Owner's request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs and the Contractor's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price, if any. If the Contractor has participated in savings as provided in Paragraph 5.2, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Contractor.

ARTICLE 14

MISCELLANEOUS PROVISIONS

14.1 Where reference is made in this Agreement to a provision of the General Conditions or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

14.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

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(Survival and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to details of municipalities and also regarding requirements such as written disclosures of waivers.)

14.3 Other provisions:

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ARTICLE 15

TERMINATION OR SUSPENSION

15.1 The Contract may be terminated by the Contractor as provided in Article 14 of the General Conditions; however, the amount to be paid to the Contractor under Subparagraph 14.1.2 of the General Conditions shall not exceed the amount the Contractor would be entitled to receive under Paragraph 15.3 below except that the Contractor's Fee shall be calculated as if the Work had been fully completed by the Contractor, including a reasonable estimate of the Cost of the Work for Work not actually completed.

15.2 If a Guaranteed Maximum Price is established in Article 5, the Contract may be terminated by the Owner for cause as provided in Article 14 of the General Conditions, however, the amount, if any, to be paid to the Contractor under Subparagraph 14.2.4 of the General Conditions shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed the amount the Contractor would be entitled to receive under Paragraph 15.3 below.

15.3 If no Guaranteed Maximum Price is established in Article 5, the Contract may be terminated by the Owner for cause as provided in Article 14 of the General Conditions, however, the Owner shall then pay the Contractor an amount calculated as follows:

15.3.1 Take the Cost of the Work incurred by the Contractor to the date of termination.

15.3.2 Add the Contractor's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Paragraph 5.1 or, if the Contractor's Fee is stated as a fixed sum in that Paragraph, an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion.

15.3.3 Subtract the aggregate of previous payments made by the Owner.

The Owner shall also pay the Contractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Contractor which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Subparagraph 15.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements) the Contractor shall, as a condition of receiving the payments referred to in this Article 15, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

15.4 The Work may be suspended by the Owner as provided in Article 14 of the General Conditions; in such case, the Guaranteed Maximum Price, if any, shall be increased as provided in Subparagraph 14.3.2 of the General Conditions except that the term "cost of performance of the Contract" in that Subparagraph shall be understood to mean the Cost of the Work and the term "profit" shall be understood to mean the Contractor's Fee as described in Paragraphs 5.1 and 6.3 of this Agreement.

ARTICLE 16

ENUMERATION OF CONTRACT DOCUMENTS

16.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

16.1.1 The Agreement is this executed Standard Form of Agreement Between Owner and Contractor, AIA Document A111, 1987 Edition.

16.1.2 The General Conditions are the General Conditions of the Contract for Construction, AIA Document A201, 1987 Edition.

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16.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Title	Pages
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16.1.4 The Specifications are those contained in the Project Manual dated as in Paragraph 16.1.3, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages
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16.1.5 The Drawings are as follows, and are dated
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

unless a different date is shown below:

Number	Title	Date
--------	-------	------

16.1.6 The Addenda, if any, are as follows

Number	Date	Pages
--------	------	-------

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Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 16.

10.1.7 Other Documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents which are intended to form part of the Contract Documents. The General Conditions provide that building requirements such as advertisement or insertion to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner

OWNER

(Signature)

(Printed name and title)

CONTRACTOR

(Signature)

(Printed name and title)

EXHIBIT OF

ESCROW AGREEMENT

December 16, 1994

Near North National Title Corporation
222 North LaSalle Street
Chicago, Illinois 60601
Attn: Jan Jerndt, Escrow Officer

Re: Escrow No.: E-117633

Ladies and Gentlemen:

Cole Taylor Bank ("Trustee"), as trustee, bond registrar and paying agent of the City of Chicago Tax Increment Allocation Bond (Lincoln-Belmont-Ashland Redevelopment Project) Taxable Series 1994A (the "Bonds"), the City of Chicago ("City") and Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company ("Buyer") hereby appoint Near North National Title Corporation as its closing agent ("Escrowee") to close the purchase by Buyer of the Bonds, but only in strict compliance with these instructions, as they may be amended from time to time, in writing, by the parties hereto.

A. Closing Documents. Trustee, City and Buyer hereby deposit or will deposit with you the following documents:

1. Three (3) originals of the Lincoln/Belmont/Ashland Redevelopment Agreement by and among the City of Chicago and Buyer, LAB-Lofts, L.L.C. and LAB-Townhomes, L.L.C. dated as of November 30, 1994 (the "Redevelopment Agreement");

2. The original Bonds (of which there is one) (the "Bond");

3. One (1) original Acknowledgement by Cole Taylor Bank of the Assignment and Security Agreement (TIF Bonds) (the "Acknowledgement").

B. Conditions of Closing. Escrowee may close the above-referenced escrow upon fulfillment of the conditions set forth below:

1. Escrowee has accepted these instructions and holds the documents referred to in Paragraph A above, duly executed and

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acknowledged where required. In the event that any of the documents are not dated or fully executed, please advise the undersigned immediately.

2. Escrowee has received into this escrow the amount of \$7,671,035.90 (to be transferred from Escrowee's Escrow No. E-117632.

3. The concurrent closing of the transactions contemplated by Escrowee's Escrow No. E-117632 and Escrowee's Escrow No. E-116327 (after the satisfaction of all conditions specified therein).

C. Closing Procedures. In closing this escrow, Escrowee will strictly adhere to the procedures and sequence of events set forth hereinbelow.

1. Disburse the funds received pursuant to Paragraph B2 as follows:

- (a) Transfer the sum of \$6,000,000.00 to Escrowee's Escrow No. E-116327 (representing a portion of the proceeds from the sale of the Bonds being made available to Buyer under the Redevelopment Agreement to purchase the Property (as defined in the Redevelopment Agreement));
- (b) Wire to Trustee the sum of \$1,500,000.00 (representing the balance of the proceeds from the sale of the Bonds to be disbursed under the Redevelopment Agreement for TIF Funded Improvements (as defined in the Redevelopment Agreement).
- (c) Send to the City of Chicago, Department of Planning and Development, 121 North LaSalle Street, Room 1000, Chicago, Illinois, Attention: Ms. Marla Kaiden, Escrowee's check in the amount of \$127,500 representing the City Fee due the City of Chicago under the Redevelopment Agreement.
- (d) Deliver the balance of the proceeds to or as directed by the City to pay for other costs associated with issuance of the Bonds.

2. Escrowee shall record the Redevelopment Agreement with the Recorder of Deeds of Cook County, Illinois.

3. Deliver to the City, in care of the undersigned, one original of the Redevelopment Agreement.

4. Deliver to Buyer, in care of the undersigned, one original of the Redevelopment Agreement.

5. Deliver to LaSalle Bank Lake View ("Agent"), for itself

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and as agent for River Forest Bancorp, Inc. and Bank of America Illinois, in care of Michael Z. Margolies, Jenner & Block, One IBM Plaza, 42nd Floor, Chicago, Illinois, the original Bond and the original Acknowledgement.

D. General Instructions.

1. All costs and expenses for escrow fees, recording fees and Escrowee services with respect to closing this escrow shall be paid by Buyer.

2. If you are unable to comply with these instructions and close this escrow on or before 5:00 P.M. (Chicago time) on December 19, 1994, you are not to proceed without further written authorization from Buyer, Trustee and the City, and you are hereby directed to return the Bonds to Robert Star, Katten Muchin & Zavis, 525 West Monroe Street, Suite 1600 Chicago, IL 60661, and return all Funds deposited hereunder to Escrowee's Escrow No. E-117632.

for Trustee

Bruce P. Mason, Esq.
Attorney for Buyer

for the City

The undersigned is a party to these instructions for purposes of confirming its right to receive the documents described in Paragraph C5 above. No amendment to these instructions may be made without the approval of LaSalle Bank Lake View.

Michael Z. Margolies
Attorney for Agent

The undersigned acknowledges receipt of the within escrow instructions and agrees to proceed strictly in accordance therewith.

NEAR NORTH NATIONAL TITLE CORPORATION

By: _____
Jan Jerndt, Escrow Officer

EXHIBIT G

Permitted Liens

1. GENERAL REAL ESTATE TAXES FOR THE YEAR 1994 AND SUBSEQUENT YEARS.
2. AGREEMENT RECORDED FEBRUARY 16, 1928 AS DOCUMENT NUMBER 9928421, MADE BY AND BETWEEN THE CITY OF CHICAGO AND W.A. WIEBOLDT AND COMPANY. SAID CITY OF CHICAGO PURPORTS TO GRANT TO SAID W.A. WIEBOLDT AND COMPANY THE RIGHT TO MAINTAIN A BASEMENT AND SUB-BASEMENT UNDER THAT PART OF ASHLAND AVENUE LYING WEST OF A LINE 30 FEET 6 INCHES EAST OF THE WEST LINE OF SAID ASHLAND AVENUE AS WIDENED BY JUDGMENT ENTERED IN THE SUIT OF THE CITY OF CHICAGO CASE B-7114 IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, IN FRONT OF THAT PART (EXCEPT ALLEY) OF THE NORTH 1/2 OF BLOCK 10 EXCEPT THAT PART TAKEN FOR WIDENING OF ASHLAND AVENUE IN L. TURNER'S SUBDIVISION AFORESAID AND IN FRONT OF LOTS 15, 16 AND 17 (EXCEPT THAT PART TAKEN FOR WIDENING ASHLAND AVENUE OF RUSK AND FLOOD'S SUBDIVISION AFORESAID) DURING THE LIFE OF THE BUILDING OR BUILDINGS LOCATED ON SAID PREMISES AND OR FOR THE PERIOD OF 199 YEARS. (AFFECTS PARCELS 1 AND 2)
3. EASEMENTS GRANTED TO COMMONWEALTH EDISON COMPANY OVER, UPON AND UNDER PART OF THE LAND AS CONTAINED IN DOCUMENT RECORDED AS NUMBER 15549839. (AFFECTS PARCEL 4)
4. RIGHTS OF THE PUBLIC OR QUASI-PUBLIC UTILITIES, IF ANY, IN SAID VACATED ALLEY FOR MAINTENANCE THEREIN OF POLES, CONDUITS, SEWERS, ETC. (AFFECTS PARCEL 4)
5. RESERVATION CONTAINED IN THE WARRANTY DEED FROM THE BOARD OF TRUSTEES OF THE Y.M.C.A. TO ADOLPH KORETZ DATED JUNE 20, 1927 AND RECORDED OCTOBER 21, 1927 AS DOCUMENT NUMBER 9816426, FOR A PERPETUAL EASEMENT FOR LIGHT AND AIR OVER THE NORTH 5 FEET OF THE EAST 100 FEET OF THE SOUTH 10 FEET OF LOT 33 AFORESAID ABOVE THE SECOND STORY OF THE BUILDING OF THE GRANTOR NOW ERECTED ON THE PREMISES TO THE NORTH OF THE PROPERTY THEREBY CONVEYED. AGREEMENTS OF SAID ADOLPH KORETZ THEREIN CONTAINED THAT NEITHER HE NOR ANY SUBSEQUENT OWNER OR OCCUPANT OF THE LAND WILL AT ANY TIME ERECT ANY BUILDING OR STRUCTURE OR ERECTION ON THE NORTH 5 FEET OF THE EAST 100 FEET OF SAID PREMISES THEREBY CONVEYED HIGHER THAN THE SECOND STORY OF THE BUILDINGS OF THE GRANTOR IN SAID DEED NOW ERECTED ON THE PREMISES TO THE NORTH OF THE LAND.

(AFFECTS THE NORTH 5 FEET OF THE EAST 100 FEET OF THE SOUTH 10 FEET OF LOT 33 OF PARCEL 6)

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6. ENCROACHMENTS DESCRIBED BY SURVEY DONE BY HAEGER AND ASSOCIATES, INC., DATED NOVEMBER 12, 1993 AS FOLLOWS:

PARCEL 1:

- (a) BY THE IMPROVEMENT ON THE LAND ONTO ASHLAND AVENUE BY 0.06 FEET AT THE SOUTHEAST CORNER.

PARCEL 2:

- (a) BY THE CANOPIES ONTO ASHLAND AVENUE AND LINCOLN AVENUE.
- (b) BY SUBTERRANEAN VAULTS LOCATED UNDER SCHOOL STREET AND ASHLAND AVENUE

PARCEL 6:

- (a) BY THE IMPROVEMENT LOCATED ON LOT 32 AND THE SOUTH 10 FEET OF LOT 33 ONTO THE LAND NORTH AND ADJOINING BY 0.01 FEET.
- (b) BY THE IMPROVEMENT LOCATED ON LOTS 31 AND 30 ONTO MARSHFIELD AVENUE BY 0.06 FEET AT THE SOUTHWEST CORNER.
- (c) BY THE IMPROVEMENT LOCATED ON LOTS 25 AND 26 ONTO MARSHFIELD AVENUE BY 0.04 FEET.

7. POSSIBLE EASEMENT IN FAVOR OF COMMONWEALTH EDISON COMPANY. (AFFECTS PARCEL 3)

8. COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, MEMORANDA AND AGREEMENTS ENTERED INTO AND/OR GRANTED BY THE DEVELOPER IN CONNECTION WITH, AND REASONABLY NECESSARY FOR, THE DEVELOPMENT, CONSTRUCTION, OWNERSHIP, LEASING, MANAGEMENT AND OPERATION OF THE PROJECT, MORTGAGES AND OTHER SECURITY AGREEMENTS LISTED IN THE TITLE POLICIES (AS DEFINED HEREIN) AND AS PERMITTED BY SECTION 18 HEREOF.

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EXHIBIT H

PROJECT BUDGET

**LINCOLN/BELMONT/ASHLAND
PRELIMINARY PROJECT BUDGET – COMMERCIAL**

EXHIBIT: H

TOWER COMMERCIAL HARD COSTS

ITEM	PRIVATE	TIF	TOTAL
Land & Existing Building		\$3,000,000	\$3,000,000
Demolition Contract		\$150,000	\$150,000
Debris Removal		\$20,000	\$20,000
Hazardous Material Abatement		\$300,000	\$300,000
Masonry Cleaning/Tuckpointing		\$22,050	\$22,050
Structural Concrete		\$15,000	\$15,000
Elevator		\$50,000	\$50,000
Lightweight Concrete		\$65,000	\$65,000
Masonry		\$46,000	\$46,000
Structural Steel		\$200,000	\$200,000
Rough Carpentry & Drywall		\$110,000	\$110,000
Labor		\$40,000	\$40,000
Tenant Buildout		\$1,122,500	\$1,122,500
Roofing		\$111,860	\$111,860
Punchlist/Warranty		\$10,000	\$10,000
Metal Doors & Frames		\$18,000	\$18,000
Loading Dock Doors		\$8,000	\$8,000
Windows		\$195,900	\$195,900
Loading Dock Levelers		\$13,000	\$13,000
Conveying System		\$100,000	\$100,000
Plumbing/Sewer		\$55,000	\$55,000
Sprinkler System		\$225,000	\$225,000
HVAC		\$150,000	\$150,000
Electrical		\$100,000	\$100,000
Life Safety		\$16,000	\$16,000
Miscellaneous		\$31,690	\$31,690
Contingency		\$100,000	\$100,000
General Contractor Fee		\$330,000	\$330,000
SUB-TOTAL:	\$0	\$6,605,000	\$6,605,000

TOWER COMMERCIAL SOFT COSTS

ITEM	PRIVATE	TIF	TOTAL
Appraisal	\$2,500		\$2,500
Architect/Engineer		\$25,000	\$25,000
Commissions	\$150,000		\$150,000
Legal	\$40,000		\$40,000
General Conditions	\$50,000		\$50,000
Construction Supervision		\$175,000	\$175,000
Marketing	\$12,500		\$12,500
Transfer Taxes	\$22,500		\$22,500
Taxes	\$12,500		\$12,500
Permits	\$10,000		\$10,000
Loan Fees	\$60,000		\$60,000
Zoning/TIF		\$37,500	\$37,500
Insurance	\$6,000		\$6,000
Closing Costs	\$2,500		\$2,500
Interest Reserve	\$144,520		\$144,520
Development Fees (2%)		\$170,000	\$170,000
SUB-TOTAL:	\$513,020	\$407,500	\$920,520

GRAND TOTAL: \$513,020 \$7,012,500 \$7,525,520

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**LINCOLN/BELMONT/ASHLAND
PRELIMINARY PROJECT BUDGET - COMMERCIAL**

EXHIBIT: H 1 3

ANNEX COMMERCIAL HARD COSTS

ITEM	PRIVATE	TIF	TOTAL
Land & Existing Building		\$3,000,000	\$3,000,000
Demolition		\$350,000	\$350,000
Asphalt	\$22,000		\$22,000
Brickwork/Block	\$200,000		\$200,000
Concrete/Foundation	\$55,000		\$55,000
Concrete Floors	\$70,000		\$70,000
Concrete Walks	\$15,000		\$15,000
Debris Removal		\$15,000	\$15,000
Drywall/Studs	\$60,000		\$60,000
Electric	\$65,000		\$65,000
Excavation	\$80,000		\$80,000
Garage Doors	\$3,000		\$3,000
HVAC	\$95,000		\$95,000
Insulation	\$5,000		\$5,000
Labor	\$15,000		\$15,000
Landscaping		\$32,000	\$32,000
Lightweight	\$3,000		\$3,000
Metal Doors	\$5,000		\$5,000
Miscellaneous	\$25,000		\$25,000
General Contractor Fee	\$520,000		\$520,000
Painting	\$15,000		\$15,000
Plumbing/Sewer	\$70,000		\$70,000
Roofing/Sheet Metal	\$85,000		\$85,000
Rough Lumber	\$10,000		\$10,000
Rough Carpentry	\$45,000		\$45,000
Sprinklers	\$55,000		\$55,000
Steel	\$185,000		\$185,000
Storefront	\$55,000		\$55,000
Tenant Build Out	\$900,000		\$900,000
Parking Structure	\$1,945,000		\$1,945,000
Surface lot and structure	\$30,000	\$270,000	\$300,000
Contingency	\$137,750		\$137,750
SUB-TOTAL:	\$4,770,750	\$3,867,000	\$8,437,750

ANNEX COMMERCIAL SOFT COSTS:

ITEM	PRIVATE	TIF	TOTAL
Appraisal	\$2,500		\$2,500
Architect/Engineer	\$75,000		\$75,000
Commissions	\$150,000		\$150,000
Legal	\$10,000		\$10,000
General Conditions	\$50,000		\$50,000
Construction Supervision	\$175,000		\$175,000
Marketing	\$12,500		\$12,500
Transfer Taxes	\$22,500		\$22,500
Taxes	\$12,500		\$12,500
Permits	\$15,000		\$15,000
Loan Fees	\$80,000		\$80,000
Zoning/TIF		\$37,500	\$37,500
Insurance	\$6,000		\$6,000
Closing Costs	\$2,500		\$2,500
Interest Reserve	\$216,781		\$216,781
Development Fees (2%)	\$170,000		\$170,000
SUB-TOTAL:	\$1,000,281	\$37,500	\$1,037,781

GRAND TOTAL: \$5,771,031 \$3,704,500 \$9,475,531

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**LINCOLN/BELMONT/ASHLAND
PRELIMINARY PROJECT BUDGET - TOWNHOMES**

EXHIBIT: H

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ACQUISITION

ITEM	PRIVATE	TIF	TOTAL
Land	\$1,100,000		\$1,100,000

TOWNHOME HARD COSTS

ITEM	PRIVATE	TIF	TOTAL
Appliances	\$100,000		
Asphalt	\$25,000		
Brickwork	\$720,000		
Cabinets/Vanities	\$155,000		
Carpet/Tile	\$150,000		
Concrete	\$280,000		
Clean-Up	\$20,000		
Closet Shelves	\$15,000		
Debris Removal	\$35,000		
Drywall	\$440,000		
Electric	\$320,000		
Electrical Fixtures	\$30,000		
Excavating	\$180,000		
Fireplaces	\$18,000		
Garage Doors	\$38,000		
Hardware	\$10,000		
Hardware Flooring	\$300,000		
HVAC	\$205,000		
Insulation	\$55,000		
Kitchen Tops	\$20,000		
Labor	\$175,000		
Lightweight Concrete	\$0,000		
Med Cases	\$3,000		
Mirrors	\$15,000		
Miscellaneous	\$122,000		
General Contracting Fee	\$700,000		
Painting	\$105,000		
Plumbing/Sewer	\$625,000		
Roofing	\$180,000		
Rough Lumber	\$235,000		
Rough & Trim Carpentry	\$565,000		
Skylights	\$15,000		
Steel/Rails/Gates	\$150,000		
Telephone	\$20,000		
Trim Material	\$75,000		
Truss Joists	\$270,000		
Vanity Tops	\$15,000		
Warranty Service	\$75,000		
Windows	\$350,000		
Landscaping	\$200,000		
Contingency	\$210,000		
SUB-TOTAL	\$7,355,000	\$0	\$7,355,000

TOWNHOME SOFT COSTS

Appraisal	\$5,000		
Architect/Engineers	\$125,000		
Environmental Report	\$3,000		
Insurance	\$20,000		
Legal/Accounting	\$50,000		
Marketing	\$100,000		
General Conditions	\$100,000		
Survey	\$10,000		
Taxes	\$25,000		
Model/Sales Office	\$50,000		
Permits	\$25,000		
Transfer Taxes	\$8,250		
Closing Costs	\$57,000		
Loan Fees	\$75,000		
Interest Reserve	\$125,871		
Construction Supervision	\$150,000		
Development Fees (2%)	\$100,000		
SUB-TOTAL	\$1,118,821	\$0	\$1,118,821

GRAND TOTAL: \$9,573,821 \$0 \$9,573,821

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LINCOLN/BELMONT/ASHLAND
PRELIMINARY PROJECT BUDGET - LOFTS

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ACQUISITION

ITEM	PRIVATE	TIF	TOTAL
Land & Existing Building	\$800,000		\$800,000

LOFT HARD COSTS

ITEM	PRIVATE	TIF	TOTAL
Demolition Contract	\$200,000		
Debris Removal	\$43,300		
Masonry Cleaning/Underpinning	\$34,375		
Masonry/Sandblasting Interior	\$54,700		
Bevels	\$100,000		
Landscaping	\$5,000		
Structural Concrete	\$79,000		
Lightweight Concrete	\$60,000		
Masonry	\$117,500		
Structural Steel	\$22,000		
Ornamental Ironwork (Staircase/Stairways)	\$108,400		
Rough Carpentry & Drywall	\$800,000		
Labor	\$172,000		
Trim Carpentry	\$434,800		
Trim Materials	\$140,000		
Cabinetry	\$120,000		
Countertops	\$80,000		
Roofing	\$101,300		
Unit Cleaning	\$24,000		
Metal Doors & Frames	\$18,000		
Garage Doors	\$4,000		
Windows	\$275,000		
Ceramic Tile	\$82,000		
Hardwood Flooring	\$800,000		
Marble Tile	\$30,000		
Carpet	\$42,000		
Painting	\$380,000		
Fireplaces	\$40,430		
Melbourne	\$2,500		
Mirrors	\$50,000		
Closet Shelving	\$0,000		
Storage Lockers	\$18,000		
Appliances	\$88,500		
Warranty & Punchlist	\$40,000		
Trash Chutes	\$13,000		
Plumbing/Sever	\$498,400		
Plumbing Fixtures	\$81,750		
Sprinkler System	\$200,000		
HVAC	\$285,000		
Electrical	\$380,340		
Construction/Case TV Wiring	\$22,300		
Concrete Coring	\$88,750		
Lift Safety	\$25,000		
Miscellaneous	\$84,340		
General Contractor Fee	\$880,000		
Contingency	\$230,000		
SUB - TOTAL	\$7,348,450	\$0	\$7,348,450

LOFT PARKING

ITEM	PRIVATE	TIF	TOTAL
Labor	\$30,000		
Carpentry	\$25,000		
Concrete Slab Remove	\$42,000		
Sewer Work	\$40,000		
Concrete Structure	\$80,000		
Concrete Cleaning	\$22,000		
Waterproof Membrane	\$30,000		
Excavation	\$40,000		
HVAC	\$25,000		
Electrical	\$24,000		
Painting	\$18,000		
Stairs	\$8,000		
Miscellaneous	\$30,000		
General Contractor Fee	\$20,000		
Contingency	\$30,000		
SUB - TOTAL	\$448,000	\$0	\$448,000

LOFT SOFT COSTS

ITEM	PRIVATE	TIF	TOTAL
Appraisal	\$5,000		
Architect/Engineers	\$100,000		
Insurance	\$30,000		
Legal/Accounting	\$75,000		
Marketing	\$100,000		
General Conditions	\$130,000		
Survey	\$15,000		
Taxes	\$50,000		
Model/Sales Office	\$30,000		
Permits	\$25,000		
Transfer Taxes	\$6,750		
Title/Closing Costs	\$80,000		
Loan Fees	\$60,000		
Interest Reserve	\$208,000		
Construction Supervision	\$200,000		
Development Fees (2%)	\$230,000		
SUB - TOTAL	\$1,386,800	\$0	\$1,386,800

GRAND TOTAL \$10,337,250 \$0 \$10,337,250

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**LINCOLN/BELMONT/ASHLAND
PRELIMINARY PROJECT BUDGET SUMMARY**

	<u>PRIVATE</u>	<u>TIF</u>	<u>TOTAL</u>
<u>COMMERCIAL:</u>			
ACQUISITION – TOWER	\$0	\$3,000,000	\$3,000,000
ACQUISITION – ANNEX	\$0	\$3,000,000	\$3,000,000
	\$0	\$6,000,000	\$6,000,000
TOWER COMMERCIAL HARD COSTS	\$0	\$3,605,000	\$3,605,000
ANNEX COMMERCIAL HARD COSTS	\$4,770,750	\$667,000	\$5,437,750
	\$4,770,750	\$4,272,000	\$9,042,750
TOWER COMMERCIAL SOFT COSTS	\$513,020	\$407,500	\$920,520
ANNEX COMMERCIAL SOFT COSTS	\$1,000,281	\$37,500	\$1,037,781
	\$1,513,301	\$445,000	\$1,958,301
TOTAL COMMERCIAL COSTS	<u>\$6,284,051</u>	<u>\$10,717,000</u>	<u>\$17,001,051</u>
<u>TOWNHOMES:</u>			
ACQUISITION	\$1,100,000	\$0	\$1,100,000
HARD COSTS	\$7,355,000	\$0	\$7,355,000
SOFT COSTS	\$1,118,921	\$0	\$1,118,921
TOTAL TOWNHOME COSTS	<u>\$9,573,921</u>	<u>\$0</u>	<u>\$9,573,921</u>
<u>RESIDENTIAL LOFTS:</u>			
ACQUISITION	\$900,000	\$0	\$900,000
HARD COSTS	\$7,565,455	\$0	\$7,565,455
LOFT PARKING	\$485,000	\$0	\$485,000
	\$8,050,455	\$0	\$8,050,455
SOFT COSTS	\$1,386,836	\$0	\$1,386,836
TOTAL RESIDENTIAL LOFT COSTS	<u>\$10,337,291</u>	<u>\$0</u>	<u>\$10,337,291</u>
<u>PROJECT TOTALS:</u>			
ACQUISITION	\$2,000,000	\$6,000,000	\$8,000,000
HARD COSTS	\$20,176,205	\$4,272,000	\$24,448,205
SOFT COSTS	\$4,019,058	\$445,000	\$4,464,058
TOTAL PROJECT COSTS	<u>\$26,195,263</u>	<u>\$10,717,000</u>	<u>\$36,912,263</u>

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EXHIBIT I

OWNER'S SWORN STATEMENT
(INCLUDING AUTHORIZED PRIOR EXPENDITURES)

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LINCOLN/BELMONT/ASHLAND
EXPENSES TO DATE

ITEM	TIF	NON-TIF	TOTAL
Land & Existing Building	\$150,000.00		\$150,000.00
Demolition Contract	\$10,825.00		\$10,825.00
Debris Removal			\$0.00
Hazardous Material Abatement			\$0.00
Masonry Cleaning/Tuckpointing			\$0.00
Structural Concrete			\$0.00
Elevator			\$0.00
Lightweight Concrete			\$0.00
Masonry			\$0.00
Structural Steel			\$0.00
Rough Carpentry & Drywall	\$6,481.00		\$6,481.00
Labor			\$0.00
Tenant Buildout			\$0.00
Roofing			\$0.00
Punchlist/Warranty			\$0.00
Metal Doors & Frames			\$0.00
Loading Dock Doors			\$0.00
Windows			\$0.00
Loading Dock Levelers			\$0.00
Conveying System			\$0.00
Plumbing/Sewer			\$0.00
Sprinkler System			\$0.00
HVAC			\$0.00
Electrical			\$0.00
Life Safety			\$0.00
Miscellaneous			\$0.00
Contingency			\$0.00
General Contractor Fee			\$0.00
SUB-TOTAL:	\$167,306		\$167,306.00

TOWER COMMERCIAL SOFT COSTS:			
Appraisal			\$0.00
Architect/Engineer	\$19,073.84		\$19,073.84
Commissions			\$0.00
Legal		\$71,205.85	\$71,205.85
General Conditions		\$11,242.24	\$11,242.24
Construction Supervision			\$0.00
Marketing		\$1,442.00	\$1,442.00
Transfer Taxes			\$0.00
Taxes			\$0.00
Permits		\$627.00	\$627.00
Loan Fees		\$25,000.00	\$25,000.00
Zoning/TIF	\$27,188.59		\$27,188.59
Insurance			\$0.00
Closing Costs			\$0.00
Interest Reserve			\$0.00
Development Fees (2%)			\$0.00
SUB-TOTAL:	\$46,262.43	\$109,517.09	\$155,779.52

GRAND TOTAL: \$213,568.43 \$109,517.09 \$323,085.52

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EXHIBIT II (Continued)

THE ABOVE EXPENSES ARE THE COSTS OF THE PROJECT THROUGH THE PERIOD
ENDING 11/9/94. AS A DULY AUTHORIZED OFFICER OF LINCOLN, ASHLAND & BELMONT, L.L.C., I CERTIFY
THAT THE ABOVE EXPENSES TO DATE ARE TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.



DATE: 11/10/94

BY: LINCOLN, ASHLAND & BELMONT, L.L.C.
BY: BRUCE C. ABRAMS
ITS: PRINCIPAL

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EXHIBIT J

Sachnoff & Weaver, Ltd.

Attorneys at Law

Frank D. Ballantine
Thomas J. Bamonte
Jack L. Block
Betsy S. Cain
Paul D. Carman
Seamus J. Chasen
Beth M. Clark
Nathan H. Dardick
Stewart Dolin
Candace J. Fabri
Joel S. Feldman
Michael K. Fridkin
Matthew T. Geatsburg
Jeffrey T. Gilbert
Neil Greenbaum
David A. Grossberg

Scott D. Gudmundson
Seth M. Hemming
Annie L. Hirsch
Cynthia Jared
Jeffrey L. London
Michael A. LoVallo
Sumanne McCarthy
Douglas R. Newkirk
Arnold A. Pagninucci
Jonathan S. Quinn
Brian D. Roche
Laure R. Rodgers
James A. Roffes
Barry S. Rosen
Carolyn H. Rosenberg

Harry B. Rosenberg
Ellis B. Rosenzweig
Lowell E. Sachnoff
David Schachman
Jeffrey A. Schumacher
Marshall Sender
Clifford J. Shapiro
Dunoe E. Sigelko
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Arthur D. Gunther
Angela Y. Im
Jonathan T. Kamin
Michael M. Kaplan
Marc Kieschman
James M. Marion

John W. Moynihan
Robert H. Nathan
Joel M. Neuman
Michael D. Richman
Neal D. Roussio
Howard Schickler
Bradley S. Schumrak
Charles P. Schulman
Susan D. Snyder
Ann M. Spillane
Rita K. Scopus
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OF COUNSEL
Jules G. Cogan
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Daniel M. Hatis
Richard C. Jones
Lewis Manilow
Leonard Jay Schinger
Baron Silverman
Ernest D. Simon
Joseph Stein

LEAVE OF ABSENCE
Edward J. Wong, Jr.

Writer's Direct Dial Number

December 19, 1994

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company ("LAB"), LAB-Lofts, L.L.C., a Delaware limited liability company ("LAB-Lofts"), and LAB-Townhomes, L.L.C., a Delaware limited liability company ("LAB-Townhomes") (LAB, LAB-Lofts, and LAB-Townhomes are collectively referred to as the "Developer), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Lincoln/Belmont/Ashland Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Lincoln/Belmont/Ashland Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

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Attorneys at Law

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- (b) the Escrow Agreement of even date herewith executed by the Developer and the City;
- (c) the documents listed on Schedule 1 attached hereto; and
- (d) such other agreements, instruments and documents as we have deemed appropriate in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of LAB's, LAB-Lofts' and LAB-Townhomes' (i) Certificate of Formation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Operating Agreements, as amended to date, and (iv) records of all proceedings of the managers of the Developer relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

For the purposes of this opinion, we have assumed with your permission and without independent verification that:

- A. the execution and delivery of all Documents and other documents reviewed by us, and the entry into and performance of the transactions contemplated by the documents, by all parties other than Developer have been duly authorized by all necessary actions, and the documents constitute the valid, binding and enforceable obligations of all parties other than Developer;
- B. all natural persons who are signatories to the documents were legally competent at the time of execution;
- C. all signatures on the Documents and other documents reviewed by us on behalf of parties other than Developer are genuine;
- D. the copies of all documents submitted to us are accurate and complete and conform to originals, and all material terms and conditions of the relationship between Developer and the City are correctly and completely reflected in the Documents;

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Attorneys at Law

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December 19, 1994
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E. all factual information contained in all documents reviewed by us is true and correct; and

F. the authenticity of all materials examined by us.

Based on the foregoing, it is our opinion that:

1. LAB, LAB-Lofts, and LAB-Townhomes are each limited liability companies duly organized, validly existing and in good standing under the laws of the Delaware, have full power and authority to own and lease their properties and to carry on their business as presently conducted, and are in good standing and duly qualified to do business as a foreign limited liability company under the laws of every state in which the conduct of their affairs or the ownership of their assets requires such qualification, except for those states in which failure to qualify to do business would not have a material adverse effect on the companies or their business.

2. LAB, LAB-Lofts, and LAB-Townhomes each have full right, power and authority to execute and deliver the Documents to which they are a party and to perform their obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, their respective Certificates of Formation or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, to our Knowledge (as hereinafter defined) any order, writ, injunction or decree of any court, government or regulatory authority, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To our Knowledge, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party of by which it or any of its property may be bound, or result in the creation or imposition of (or obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of LaSalle Bank Lake View.

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized manager of the Developer, and each such

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Attorneys at Law

City of Chicago
December 19, 1994
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Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

5. Ronald B. Shipka, Sr. and Bruce C. Abrams are the sole managers and members of Developer with equal ownership interests. To our Knowledge, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the ownership interests in the Developer.

6. To our Knowledge, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement, the transactions contemplated by the Agreement, contesting the validity thereof, or seeking to restrain or enjoin the issuance or delivery of the \$7,671,035.90 Tax Increment Allocation Bonds (Lincoln-Belmont-Ashland Redevelopment Project) Taxable Series 1994A (the "Bonds"), contesting the validity thereof, or affecting any authority for the issuance or validity of the Bonds, or in any way contesting the existence or powers of Developer. To our Knowledge, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

7. To our Knowledge, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the Developer or its properties is bound.

8. To our Knowledge, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To our Knowledge, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations,

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operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

Our opinions are qualified as follows:

A. Wherever we indicate that our opinion with respect to the existence or absence of facts is based on our Knowledge, our opinion is based solely on (i) the current actual knowledge of the attorneys with the firm who have represented Developer in connection with the transactions contemplated by the Documents and of any other attorneys presently in our firm whom we have determined are likely, in the course of representing any of said parties, to have knowledge of the matters covered by this opinion, and (ii) the representations and warranties of said parties contained in the Documents; we have made no independent investigation as to such factual matters and disclaim all obligations to do so, except for obtaining the affidavits attached to this opinion. However, we know of no facts which lead us to believe such factual matters are untrue or inaccurate.

B. Your ability to enforce the Documents may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or obligation and other similar laws now or hereafter in effect relating to or affecting creditors' rights generally.

C. Enforcement of the rights and remedies of the City may be limited by general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law, as well as by laws and judicial decisions which have imposed duties and standards of conduct (including, without limitation, obligations of good faith, fair dealing and reasonableness) upon lenders, creditors and secured creditors, and in this regard we have assumed that the City will exercise its rights and remedies under the Documents in good faith and in circumstances and a manner which are commercially reasonable.

D. Certain provisions of the Documents may be rendered unenforceable or limited by applicable laws and judicial decisions but, subject to the other qualifications and assumptions of this opinion, such laws and judicial decisions do not render the Loan Documents invalid as a whole and there exist in the Documents or pursuant to applicable law legally adequate remedies for the realization of the principal benefits and security intended to be provided by the Documents.

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Attorneys at Law

City of Chicago

December 19, 1994

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E. We express no opinion as to the rights of any of the parties to the Documents to accelerate the due date of any payments due thereunder, or to exercise other remedies available to them, on the happening of a non-material breach of any such Document.

F. We express no opinion as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party.

Our opinion is limited to the laws of the United States (except as set forth below), the State of Delaware limited liability companies law, and the laws of the State of Illinois and political subdivisions thereof in effect on the date hereof as they presently apply. We shall have no continuing obligations to inform you of changes in law or fact subsequent to the date hereof or of facts of which we become aware after the date hereof.

We express no opinion as to matters of title or priority or perfection of liens or security interests with regard to real and personal property. We understand that, with respect to the real and personal property security interests intended to be created by the Documents and the priority of the liens thereof, you will rely on a title insurance policy and such Uniform Commercial Code and other searches as you deem adequate, and, accordingly, we express no opinion to such matters.

We have not reviewed and this opinion letter does not opine as to: (i) compliance by the Project with applicable zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules or regulations, (ii) ERISA laws, rules and regulations, or (iii) federal or state taxation, banking, securities or "blue sky" laws, rules or regulations.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. This opinion is rendered solely for your benefit and no other person or entity shall be entitled to rely on any matter set forth herein without the express written consent of the undersigned.

Very truly yours,

DRAFT

SACHNOFF & WEAVER, LTD.

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Attorneys at Law

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SCHEDULE 1

1. Construction Loan Agreement
2. Townhome Notes
3. Condominium Notes
4. Commercial Notes
5. Developer Notes
6. Guaranty
7. Guaranty of Bruce Abrams for \$4,737,500
8. Guaranty of Ronald Shipka for \$4,737,500
9. Guaranty of Performance
10. Construction Mortgage
11. Assignment of Rents and Leases
12. Security Agreement (Personal Property)
13. TIF Bonds Assignment and Security Agreement
14. Security Agreement
15. UCC-1 and UCC-2 Financing Statements
16. Environmental Indemnification Agreement
17. Assignment of Construction Contracts and Permits
18. Assignment of Architect's Contracts and Plans
19. Collateral Assignment of Name of Project, Subcontractor Agreements, Engineering Agreements and Other Agreements
20. Collateral Assignment of Redevelopment Agreement
21. Collateral Assignment of Residential Sales Contracts

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Attorneys at Law

City of Chicago
December 19, 1994
Page 8

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

AFFIDAVIT

The undersigned, being first duly sworn and on oath, states as follows:

1. Affiant is a manager and member with a 50% interest in Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company ("LAB"), LAB-Lofts, L.L.C., a Delaware limited liability company ("LAB-Lofts"), and LAB-Townhomes, L.L.C., a Delaware limited liability company ("LAB-Townhomes").

2. The execution of the Lincoln/Belmont/Ashland Redevelopment Agreement (the "Agreement") of even date herewith executed by the Developer and the City of Chicago and the documents listed on Schedule 1 attached hereto (the "Documents") will not conflict with or result in a breach of the Certificates of Formation or Operating Agreements of LAB, LAB-Lofts, or LAB-Townhomes, nor will it result in a breach or other violation of any of the terms, conditions, or provisions of any order, writ, injunction, or decree of any court, government or regulatory authority, any of the terms, conditions or provisions of any agreement, instrument or document to which LAB, LAB-Lofts, or LAB-Townhomes is a party or by which any of them or their properties are bound, nor will the execution, delivery, or performance under any such documents constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which LAB, LAB-Lofts, or LAB-Townhomes is a party or by which any of their property may be bound, or result in the creation or imposition of (or obligation to create or impose) any lien, charge or encumbrance, on, or security interest in, any of their property pursuant to the provisions of any of the foregoing, other than in favor of LaSalle Bank Lake View or the City of Chicago.

3. The undersigned has not granted, nor is he aware of the granting by any other manager or member of any warrants, options, rights, or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the ownership interest in LAB, LAB-Lofts, and LAB-Townhomes.

4. No judgments are outstanding against LAB, LAB-Lofts, and LAB-Townhomes, nor is there now pending or threatened any litigation, contested claim or governmental proceeding by or against LAB, LAB-Lofts or LAB-Townhomes or affecting any of them or their property, or seeking to restrain or enjoin the performance by any of them of the

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Attorneys at Law

City of Chicago
December 19, 1994
Page 9

Agreement, the transactions contemplated by the Agreement, or contesting the validity thereof.

5. None of LAB, LAB-Lofts or LAB-Townhomes is in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect on any law, order, regulation or demand of any governmental agency or instrumentality, or default under which would have a material adverse effect on LAB, LAB-Lofts or LAB-Townhomes or their businesses.

6. There is no default by LAB, LAB-Lofts or LAB-Townhomes or any other party under any material contract, lease, agreement, instrument, or commitment to which LAB, LAB-Lofts or LAB-Townhomes is a party or by which any of them or their properties are bound.

7. All of the assets of LAB, LAB-Lofts and LAB-Townhomes are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Agreement or the Documents.

8. LAB, LAB-Lofts and LAB-Townhomes own or possess or are licensed or otherwise have the right to use all licenses, permits, and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of their businesses.

Ronald B. Shipka, Sr.

SUBSCRIBED AND SWORN to before
me this ____ day of December, 1994.

Notary Public

04061013

City of Chicago
December 19, 1994
Page 10

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

AFFIDAVIT

The undersigned, being first duly sworn and on oath, states as follows:

1. Affiant is a manager and member with a 50% interest in Lincoln, Ashland & Belmont, L.L.C., a Delaware limited liability company ("LAB"), LAB-Lofts, L.L.C., a Delaware limited liability company ("LAB-Lofts"), and LAB-Townhomes, L.L.C., a Delaware limited liability company ("LAB-Townhomes").

2. The execution of the Lincoln/Belmont/Ashland Redevelopment Agreement (the "Agreement") of even date herewith executed by the Developer and the City of Chicago and the documents listed on Schedule 1 attached hereto (the "Documents") will not conflict with or result in a breach of the Certificates of Formation or Operating Agreements of LAB, LAB-Lofts, or LAB-Townhomes, nor will it result in a breach or other violation of any of the terms, conditions, or provisions of any order, writ, injunction, or decree of any court, government or regulatory authority, any of the terms, conditions or provisions of any agreement, instrument or document to which LAB, LAB-Lofts, or LAB-Townhomes is a party or by which any of them or their properties are bound, nor will the execution, delivery, or performance under any such documents constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which LAB, LAB-Lofts, or LAB-Townhomes is a party or by which any of their property may be bound, or result in the creation or imposition of (or obligation to create or impose) any lien, charge or encumbrance, on, or security interest in, any of their property pursuant to the provisions of any of the foregoing, other than in favor of LaSalle Bank Lake View or the City of Chicago.

3. The undersigned has not granted, nor is he aware of the granting by any other manager or member of any warrants, options, rights, or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the ownership interest in LAB, LAB-Lofts, and LAB-Townhomes.

4. No judgments are outstanding against LAB, LAB-Lofts, and LAB-Townhomes, nor is there now pending or threatened any litigation, contested claim or governmental proceeding by or against LAB, LAB-Lofts or LAB-Townhomes or affecting any of them or their property, or seeking to restrain or enjoin the performance by any of them of the

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Attorneys at Law

City of Chicago
December 19, 1994
Page 11

Agreement, the transactions contemplated by the Agreement, or contesting the validity thereof.

5. None of LAB, LAB-Lofts or LAB-Townhomes is in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect on any law, order, regulation or demand of any governmental agency or instrumentality, or default under which would have a material adverse effect on LAB, LAB-Lofts or LAB-Townhomes or their businesses.

6. There is no default by LAB, LAB-Lofts or LAB-Townhomes or any other party under any material contract, lease, agreement, instrument, or commitment to which LAB, LAB-Lofts or LAB-Townhomes is a party or by which any of them or their properties are bound.

7. All of the assets of LAB, LAB-Lofts and LAB-Townhomes are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Agreement or the Documents.

8. LAB, LAB-Lofts and LAB-Townhomes own or possess or are licensed or otherwise have the right to use all licenses, permits, and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of their businesses.

Bruce C. Abrams

SUBSCRIBED AND SWORN to before
me this ____ day of December, 1994.

Notary Public

04061013

0 4 0 6 1 0 1 3

EXHIBIT K

PRELIMINARY TIF PROJECTION - MINIMUM ASSESSED VALUE

04061013

TOWNHOME ESTIMATED REAL ESTATE TAX

ASSUMPTIONS

Assessed Value Factor : 0.16
 State Equalization Factor : 2.05
 City of Chicago RE Tax per \$100 of Value : \$9.50

<u>ADDRESS</u>	<u>UNIT TYPE</u>	<u>MINIMUM ASSESSED VALUE (1)</u>	<u>MINIMUM ESTIMATED RE TAX (1)</u>
1 1521 Henderson, #A	D1	\$17,907	\$3,487
2 1521 Henderson, #B	D2	\$24,069	\$4,687
3 1521 Henderson, #C	D2	\$24,069	\$4,687
4 1523 Henderson, #A	A	\$37,163	\$7,237
5 1523 Henderson, #B	C	\$30,744	\$5,987
6 1525 Henderson, #A	C	\$30,744	\$5,987
7 1525 Henderson, #B	C	\$30,744	\$5,987
8 1527 Henderson, #A	C	\$30,744	\$5,987
9 1527 Henderson, #B	A	\$37,163	\$7,237
10 1529 Henderson, #A	A	\$37,163	\$7,237
11 1529 Henderson, #B	C	\$30,744	\$5,987
12 1531 Henderson, #A	C	\$30,744	\$5,987
13 1531 Henderson, #B	C	\$30,744	\$5,987
14 1533 Henderson, #A	A	\$37,163	\$7,237
15 1533 Henderson, #B	B	\$41,014	\$7,987
16 1535 Henderson, #A	B	\$41,014	\$7,987
17 1535 Henderson, #B	A	\$37,163	\$7,237
18 1537 Henderson, #A	C	\$30,744	\$5,987
19 1537 Henderson, #B	C	\$30,744	\$5,987
20 1539 Henderson, #A	C	\$30,744	\$5,987
21 1539 Henderson, #B	C	\$30,744	\$5,987
22 1541 Henderson, #A	D1	\$17,907	\$3,487
23 1541 Henderson, #B	D2	\$24,069	\$4,687
24 1541 Henderson, #C	D2	\$24,069	\$4,687
25 1522 School, #A	D1	\$17,907	\$3,487
26 1522 School, #B	D2	\$24,069	\$4,687
27 1522 School, #C	D2	\$24,069	\$4,687
28 1524 School, #A	C	\$30,744	\$5,987
29 1524 School, #B	C	\$30,744	\$5,987
30 1526 School, #A	C	\$30,744	\$5,987
31 1526 School, #B	C	\$30,744	\$5,987
32 1528 School, #A	C	\$30,744	\$5,987
33 1528 School, #B	B	\$41,014	\$7,987
34 1530 School, #A	B	\$41,014	\$7,987
35 1530 School, #B	A	\$37,163	\$7,237
36 1532 School, #A	C	\$30,744	\$5,987
37 1532 School, #B	C	\$30,744	\$5,987
38 1534 School, #A	C	\$30,744	\$5,987
39 1534 School, #B	A	\$37,163	\$7,237
40 1536 School, #A	A	\$37,163	\$7,237
41 1536 School, #B	C	\$30,744	\$5,987
42 1538 School, #A	C	\$30,744	\$5,987
43 1538 School, #B	C	\$30,744	\$5,987
44 1540 School, #A	A	\$37,163	\$7,237
45 1542 School, #A	D1	\$17,907	\$3,487
46 1542 School, #B	D2	\$24,069	\$4,687
47 1542 School, #C	D2	\$24,069	\$4,687
TOTAL :			\$280,259
AVERAGE .			\$5,963

04061013

(1) Minimum Assessed Value figures will increase by 2.25% compounded annually and become effective on each triannual reassessment year. The next reassessment year is 1997.

LOFT CONDO ESTIMATED REAL ESTATE TAX

ASSUMPTIONS

Assessed Value Factor : 0.16
 State Equalization Factor : 2.05
 City of Chicago RE Tax per \$100 of Value : \$9.50

	<u>UNIT NUMBER</u>	<u>MINIMUM ASSESSED VALUE (1)</u>	<u>MINIMUM ESTIMATED RE TAX (1)</u>
1	201	\$14,762	\$2,875
2	202	\$20,796	\$4,050
3	203	\$25,032	\$4,875
4	208	\$20,411	\$3,975
5	209	\$14,120	\$2,750
6	210	\$12,837	\$2,500
7	211	\$17,201	\$3,350
8	212	\$17,715	\$3,450
9	213	\$15,019	\$2,925
10	214	\$14,891	\$2,900
11	301	\$15,276	\$2,975
12	302	\$21,694	\$4,225
13	303	\$26,187	\$5,100
14	304	\$19,512	\$3,800
15	305	\$21,437	\$4,175
16	306	\$21,181	\$4,125
17	307	\$16,046	\$3,125
18	308	\$22,464	\$4,375
19	309	\$14,762	\$2,875
20	310	\$13,479	\$2,625
21	311	\$17,843	\$3,475
22	312	\$18,613	\$3,625
23	313	\$15,918	\$3,100
24	314	\$15,789	\$3,075
25	401	\$15,533	\$3,025
26	402	\$22,079	\$4,300
27	403	\$26,829	\$5,225
28	404	\$20,025	\$3,900
29	405	\$21,951	\$4,275
30	406	\$21,694	\$4,225
31	407	\$16,303	\$3,175
32	408	\$22,978	\$4,475
33	409	\$15,019	\$2,925
34	410	\$13,735	\$2,675
35	411	\$18,228	\$3,550
36	412	\$18,998	\$3,700
37	413	\$16,174	\$3,150
38	414	\$16,046	\$3,125
39	501	\$15,789	\$3,075
40	502	\$22,464	\$4,375
41	503	\$27,471	\$5,350
42	504	\$20,539	\$4,000
43	505	\$22,464	\$4,375
44	506	\$22,208	\$4,325
45	507	\$16,559	\$3,225
46	508	\$23,491	\$4,575
47	509	\$15,276	\$2,975
48	510	\$13,992	\$2,725
49	511	\$18,613	\$3,625
50	512	\$19,384	\$3,775
51	513	\$16,431	\$3,200
52	514	\$16,303	\$3,175
53	601	\$16,046	\$3,125
54	602	\$22,850	\$4,450
55	603	\$28,113	\$5,475
56	604	\$21,052	\$4,100
57	605	\$22,978	\$4,475
58	606	\$22,721	\$4,425
59	607	\$16,816	\$3,275
60	608	\$24,005	\$4,675
61	609	\$15,533	\$3,025
62	610	\$14,249	\$2,775
63	611	\$18,998	\$3,700
64	612	\$19,769	\$3,850
65	613	\$16,688	\$3,250
66	614	\$16,559	\$3,225
67	701	\$16,431	\$3,200
68	702	\$24,133	\$4,700
69	703	\$29,396	\$5,725
70	704	\$22,336	\$4,350
71	705	\$24,262	\$4,725
72	706	\$24,005	\$4,675
73	707	\$17,330	\$3,375
74	708	\$25,288	\$4,925
75	709	\$16,046	\$3,125
76	710	\$14,762	\$2,875
77	711	\$19,897	\$3,875
78	712	\$20,539	\$4,000
79	713	\$17,073	\$3,325
80	714	\$16,945	\$3,300
TOTAL :			\$298,821
AVERAGE :			\$3,735

(1) Minimum Assessed Value figures will increase by 2.25% compounded annually and become effective on each triannual reassessment year. The next reassessment year is 1997.

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COMMERCIAL RETAIL ESTIMATED REAL ESTATE TAX

ASSUMPTIONS

Assessed Value Factor :	0.38
State Equalization Factor :	2.05
City of Chicago RE Tax per \$100 of Value :	\$9.50

<u>ADDRESS</u>	<u>SF</u>	<u>MINIMUM ASSESSED VALUE (1)</u>	<u>MINIMUM ESTIMATED RE TAX (1)</u>
SERVICE MERCHANDISE			
FIRST FLOOR	36,483	\$936,662	\$182,415
SECOND FLOOR	26,061	\$401,453	\$78,183
	62,544	\$1,338,116	\$260,598
WHOLE FOODS			
FIRST FLOOR	28,000	\$718,870	\$140,000
SECOND FLOOR	3,500	\$53,915	\$10,500
	31,500	\$772,786	\$150,500
PARKING GARAGE	60,140	\$308,087	\$60,000
TOTAL :	154,184	\$2,418,988	\$471,098

(1) Minimum Assessed Value figures will increase by 2.25% compounded annually and become effective on each triannual reassessment year. The next reassessment year is 1997.

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EXHIBIT L

CONDITIONAL PROVISIONS

9.19 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.19(b) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option, (i) the Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole

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discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(b) Real Estate Taxes.

(i) Acknowledgement of Real Estate Taxes. To the best of the Developer's knowledge, the Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property which is necessary to support the debt service on the Series 1994A TIF Bonds and Refunding TIF Bonds ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) Part II of Exhibit K sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately estimated in Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect, other than homeowner, homestead and other standard exemptions for residential properties.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or by any taxpayer. The term

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"Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project to an amount not greater than the Minimum Assessed Value.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.19 are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

(c) Insurance. In addition to the insurance required pursuant to Section 14 hereof, the Developer shall at all times provide or cause to be maintained in force the following insurance:

(i) All Risk Property Insurance

- (A) The Developer shall obtain All Risk Property insurance in the amount of the full replacement value of the Developer's property located in the Redevelopment Area, including but not limited to the Property.
- (B) Post-construction, and for as long as the Developer owns the Property, the Developer shall obtain an All Risk Property policy, including improvements and betterments in the amount of full replacement value of the Developer's property located in the Redevelopment Area, including but not limited to the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

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