

Contract Summary Sheet

Contract (PO) Number: 4917

Specification Number: 21999

Name of Contractor: BGP LINCOLN VILLAGE, L.L.C.

City Department: PLANNING & DEVELOPMENT

Title of Contract: Redevelopment of Lincoln Village Shopping Center at 6055-6199 N. Lincoln Ave.

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):

\$4,950,000.00

PO Start Date: 6/17/02

PO End Date: 12/31/23

Brief Description of Work: Redevelopment of Lincoln Village Shopping Center at 6055-6199 N. Lincoln Ave.

Procurement Services Contact Person: BARBARA SUTTON

Vendor Number: 1066867

Submission Date:

MAR 10 2004

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LINCOLN VILLAGE SHOPPING CENTER REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

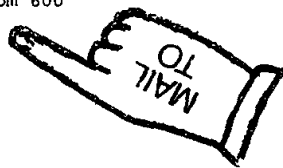
AND

BGP LINCOLN VILLAGE, L.L.C.

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TICOR TITLE INSURANCE

This agreement was prepared by
and after recording return to:
Steven J. Holler, Esq
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602



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LIST OF EXHIBITS

- Exhibit A *Redevelopment Area
- Exhibit B *Property
- Exhibit B-1 Site Plan Depicting Building 3 and Building 4
- Exhibit C *TIF-Funded Improvements
- Exhibit D Redevelopment Plan
- Exhibit E Construction Contract
- Exhibit F-1 *Project Budget
- Exhibit F-2 *MBE/WBE Budget
- Exhibit G MWRDGC Property
- Exhibit H *Permitted Liens
- Exhibit I Approved Prior Expenditures
- Exhibit J Opinion of Developer's Counsel
- Exhibit K *Preliminary TIF Projection -- Real Estate Taxes
- Exhibit L Requisition Form
- Exhibit M *Form of City Note
- Exhibit N City Note Proportionate Share Calculations

(An asterisk(*) indicates which exhibits are to be recorded.)

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This agreement was prepared by and
after recording return to:
Steven J. Holler, Esq
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

LINCOLN VILLAGE SHOPPING CENTER REDEVELOPMENT AGREEMENT

This Lincoln Village Shopping Center Redevelopment Agreement (this "Agreement") is made as of this 17TH day of JUNE, 2002, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and BGP Lincoln Village, L.L.C., an Illinois limited liability company (the "Developer").

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 power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power 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., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

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 3, 1999, as amended on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Lincoln Avenue Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Lincoln Avenue Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Lincoln Avenue Redevelopment Project Area" (the "TIF Adoption Ordinance") (as amended, items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased certain property located within the Redevelopment Area at 6055-6199 N. Lincoln Avenue and 6201 N. McCormick Rd., Chicago, Illinois 60659 and legally described on Exhibit B hereto (together with all improvements thereon, the "Property"). Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete redevelopment of the existing Lincoln Village Shopping Center, which will (subject to Section 7 and Section 15.05) include the following specific components: (i) pre-development activities (planning, design, environmental remediation); (ii) the demolition of approximately 28,708 square feet of existing retail space, which space currently includes the Loews Theater, Peterson Bank, Famous Footwear/Fannie May and What's Cooking facilities; (iii) the rehabilitation of approximately 90,043 square feet of existing retail and office space; (iv) the construction of an approximately 30,000 square foot retail facility, of which approximately 25,000 square feet will be leased and occupied by Border's Books or another Approved Tenant; (v) the construction of an approximately 9,562 square foot facility to be leased and occupied by Famous Footwear or another Approved Tenant; (vi) new construction of an additional approximately 9,260 square feet of retail space on the Building 3 site depicted on Exhibit B-1 attached hereto ("Building 3"); (vii) new construction of an approximately 4,000 square foot retail or commercial facility on the Building 4 site depicted on Exhibit B-1 attached hereto ("Building 4"); (viii) redesign and landscaping of the existing parking area, resulting in approximately 431 parking spaces; and (ix) upgrading of landscaping and signage (collectively, the "Project"). It is anticipated that the Project will result in the retention of approximately 130 existing full-time equivalent jobs and the creation of approximately 70 new full-time equivalent jobs. The Project will be carried out in accordance with Planned Development No. 796, passed by the City Council on October 3, 2001 (the "Planned Development"), which also contemplates the construction of a residential development on a parcel adjacent to the Property that is owned by the Metropolitan Water Reclamation District of Greater Chicago

("MWRDGC"). Subject to Section 7 and Section 15.05, the specific improvements described in clauses (i) through (ix) above and certain other 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 Developer will not itself construct or finance the residential development and such residential development does not constitute a part of the "Project." However, as a material inducement to the City's execution of this Agreement, the Developer will nonetheless be bound by the provision set forth in Section 4.03(c), Section 8.20 and Section 15.04 with respect to the Developer's lease and sublease of the MWRDGC parcel and the construction of such residential development. 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 Avenue Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Note (which is to be repaid from Available Incremental Taxes, TIF Bond Proceeds or other legally available funds), (ii) Incremental Taxes, and/or (iii) other Available Incremental Taxes to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(g) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes or Available Incremental Taxes (including any payments made pursuant to the City Note), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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:

"Act" shall have the meaning set forth in Recital B.

"Acquisition" shall have the meaning set forth in Recital D.

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

"Approved Tenant" shall mean any of the following: (a) the parent, subsidiary or affiliate of the entities currently operating as Borders or Famous Footwear, respectively (each, a "Tenant"); any assignee, sublessee or other transferee permitted under a Tenant's lease; (c) an entity which acquires or with which Tenant merges (including as a result of bankruptcy or other court order); (d) any national, regional or local retail tenant with a net worth in excess of \$5 million for the Famous Footwear space and in excess of \$10 million for the Borders space; and (e) any tenant acceptable to any lender providing financing secured by a first mortgage on the Property.

"Available Incremental Taxes" shall mean the amount of Incremental Taxes for the relevant annual period, minus the sum of (a) the sum of any scheduled payments of principal and interest, any required reserves, or any other amounts payable under the Bank Note, and (b) the City's cost of administering the Area, not to exceed seven and one-half percent (7.5%) of the Incremental Taxes in any year.

"Bank Note" shall mean that certain tax increment revenue obligation of the City to be issued to a financial institution in the estimated principal amount of \$3,000,000, the repayment of which shall be secured by a first priority pledge of the Incremental Taxes, or a portion thereof. The Bank Note shall attach an amortization schedule projected to fully repay the Bank Note over its term.

"Base Rent" shall mean the net rent payable by the subtenant to the Developer during the term of the Sublease, whether paid in installments or in a lump sum. Base Rent shall not include subtenant payments for the subtenant's share of any general real estate taxes, insurance costs, common area maintenance costs or similar "pass-through" expenses and reimbursable expenses if said costs and expenses are identified to and approved by the Department of Housing as part of its review of any application by a residential housing developer for financial assistance for the residential project.

"BGP Principals" shall mean David P. Bossy, Jeffrey S. Gumbiner and Scott H. Gendell.

"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.

"City Council" shall have the meaning set forth in the Recital C.

"City Funds" shall mean the funds paid to the Developer pursuant to the City Note, from TIF Bonds Proceeds, or from other Incremental Taxes or Available Incremental Taxes in accordance with Section 4.03.

"City Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note to be in the form attached hereto as Exhibit M, in the maximum principal amount of \$4,950,000, issued by the City to the Developer on or as of the date hereof. The City Note shall bear interest at a per annum rate of eight percent (8%) and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Construction Contract" shall mean that certain contract, 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.

"Developer Incremental Taxes" shall mean 100% of the amount of the Incremental Taxes attributable to the taxes levied on the Property, which is currently comprised of two tax parcel permanent identification numbers: 13-02-220-027-0000 and 13-02-220-028-0000.

"Employer(s)" shall have the meaning set forth in Section 10 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, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or otherwise. Equity may include funds borrowed by the Developer or the BGP Principals on a fully recourse basis or secured by a personal guaranty of a BGP Principal.

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s).

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Excess SubLease Rent" shall mean the amount, if any, by which the net present value (as of the rent commencement date, as defined in the sublease, and assuming an 8% discount rate) of the total Base Rent payable to the Developer (or any Affiliate) during the term of the Sublease exceeds \$800,000.

"Final Certificate" shall mean the certificate of completion described in Section 7.01(b) hereof.

"Financial Statements" shall mean complete financial statements for the period of the Developer's existence prior to the

Closing Date for the Developer and any entities having an ownership interest in the Developer, prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, or such other financial statements as may be acceptable to DPD.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

"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, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Jobs Data" shall have the meaning set forth in Section 8.06(a).

"Leasing and Occupancy Covenant" shall have the meaning set forth in Section 8.06(a).

"Lender Financing" shall mean funds borrowed by the Developer from lenders and secured by the Property, or a portion thereof, or by membership interests in the Developer, and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Low Occupancy Year" shall have the meaning set forth in Section 8.06(a).

"MBE(s)" 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-owned business enterprise.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit F-2, as described in Section 10.03.

"MWRDGC Lease" shall mean the lease of the real property described in Exhibit G by and between the MWRDGC, as landlord, and the Developer, as tenant.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

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

"Other Projects" shall have the meaning set forth in Section 4.03(c).

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

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Preliminary Certificate" shall mean the certificate of completion described in Section 7.01(a) hereof.

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

"Project" shall have the meaning set forth in the Recital D.

"Project Budget" shall mean the budget attached hereto as Exhibit F-1, showing the total cost of the Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

"Property" shall have the meaning set forth in the Recital D.

"Proportionate Share" shall mean the amount resulting after (a) dividing the Developer Incremental Taxes by the amount of Incremental Taxes which have been pledged by the City to all developers with projects in the Lincoln Avenue Redevelopment Project Area, and (b) multiplying the resulting quotient by the amount of Available Incremental Taxes. For purposes of calculating the Proportionate Share, in determining the amount of Incremental Taxes the City has pledged to any developer, no developer will be deemed to have had more Incremental Taxes pledged to it by the City in any year than it actually generates from its project in that year.

"Redevelopment Area" shall have the meaning set forth in Recital C.

"Redevelopment Plan" shall have the meaning set forth in Recital C.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by the Developer to DPD pursuant to Section 4.04 of this Agreement.

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

"Second Event of Default" shall have the meaning set forth in Section 8.06(a).

"Sublease" shall mean the sublease relating to a portion of the real property described in Exhibit G by and between the Developer, as sublandlord, and the developer of the residential development, as subtenant.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title urban survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, 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 Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction and rehabilitation of the project buildings and related improvements as required by the City or lender(s) providing Lender Financing).

"Tenth Anniversary Date" shall mean the tenth anniversary of the issuance of the Preliminary Certificate, provided, however, that if the Developer avails itself of the special cure period(s) provided in Section 8.06(a), the Tenth Anniversary Date shall be extended by an amount of time equal to the time from the occurrence of an Event of Default under Section 8.06(a) to the cure(s) of such Event of Default under Section 8.06(a).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the earlier of: (a) any date to which DPD and the Developer have agreed in writing, (b) the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2023, being the last day of the year in which payment to the City is made with respect to the 23rd

calendar year after the date of the TIF Adoption Ordinance), and (c) the date on which the City Note has been paid in full in accordance with the terms of this Agreement (provided, however, that this condition (c) shall not operate to terminate the Term of the Agreement in the event of a prepayment of the City Note with TIF Bond Proceeds or in the event the City Note is terminated following the occurrence of an Event of Default under this Agreement).

"Testing Period" shall have the meaning set forth in Section 8.06(a).

"TIF Adoption Ordinance" shall have the meaning set forth in Recitals C.

"TIF Bonds" shall have the meaning set forth in Recital F.

"TIF Bond Ordinance" shall have the meaning set forth in Recital F.

"TIF Fund" shall mean the Lincoln Village Redevelopment Project Area Special Tax Allocation Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in Recital C.

"Title Company" shall mean Chicago Title Insurance Company.

"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 previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business 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 improvements, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (a) commence construction and rehabilitation no later than May 31, 2002; and (b) complete construction and rehabilitation of the Project (other than Building 3 and Building 4) not later than December 31, 2003, and (c) subject to Section 7 and Section 15.05, complete construction of Building 3 and Building 4 not later than September 30, 2004. The Developer shall give the City written notice of any delay in such commencement and/or completion dates, requesting the City's consent for an extension, if necessary, which consent shall be in the City's sole discretion.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary 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.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty-Three Million One Hundred Fifty-Eight Thousand Nine Hundred Thirty-Five Dollars (\$23,158,835). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval, which approval shall be given or denied in a timely manner but which otherwise shall be in DPD's sole discretion; (a) any individual or aggregate reduction in the gross or net square

footage of the Project by more than five percent (5%) (unless such reduction is due to the Developer's decision to not construct Building 3 and Building 4); (b) a change in the overall use of the Property to a use other than retail shopping center; or (c) a delay in the completion of the Project from the dates set forth in Section 3.01. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. 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 the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Other Change Orders do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders as part of its progress reports and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project, or any applicable portion thereof, until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder and as applicable to the Project, or such portion thereof as the Developer is commencing.

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 reports shall include documents verifying the receipt and disbursement of Project funds, including, without limitation, invoices, canceled checks and partial and final lien waivers. The reports shall also include the information required under Section 8.07 and Section 10(g). The Developer shall provide three (3)

copies of an as-built Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (which may be the architect of the lender providing the Lender Financing) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to increases in requests for disbursement for costs related to the Project.

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 (exclusive of the Building 3 and Building 4 hard costs, which total an additional approximately \$1,961,100) is estimated to be \$23,158,935, to be applied in the manner set forth in the

Project Budget. Such costs shall be initially funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 3,158,935
Lender Financing	20,000,000
ESTIMATED TOTAL	\$ 23,158,935

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.05(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Preliminary Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to Sections 4 and 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
(i) City Note (to be repaid From Developer's Proportionate Share of Available Incremental Taxes, TIF Bond Proceeds or other legally available funds	\$ 4,950,000*
(ii) Incremental Taxes, TIF Bond Proceeds or other legally available funds	\$ 250,000
(iii) Available Incremental Taxes	See Section 4.03(e)

* Maximum principal amount; does not include interest at eight percent (8%) per annum, compounding annually, that may accrue

thereon, which interest may also be paid from Available Incremental Taxes, TIF Bond Proceeds or other legally available funds.

(c) Issuance of and Payments on City Note. Subject to the terms and conditions of this Agreement, including but not limited to Sections 4 and 5 hereof, the City hereby agrees to issue the City Note to the Developer on the Closing Date. The principal amount of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof, up to a maximum principal amount of \$4,950,000. All payments under the City Note are subject to the prior payment of all amounts then due and owing with respect to the Bank Note and the City's administrative fee for administering the Redevelopment Area, and to the Developer's payment of the general real estate taxes for the tax parcels comprising the Property, and to the amount of Developer Incremental Taxes being sufficient for such payments.

Upon the Developer's execution of the Sublease, if the City determines that the Sublease provides for the payment of Excess Sublease Rent, the City will be entitled to defer further payments with respect to the City Note until such time as the City has collected Developer Incremental Taxes in an amount equal to the Excess Sublease Rent. For example, if the net present value of the Base Rent is determined to be \$1,100,000, the City would be entitled to collect and utilize for other purposes permitted under the Act but unrelated to the Project the next \$300,000 in Developer Incremental Taxes that would otherwise be available to make payments with respect to the City Note before making further payments with respect to the City Note.

In addition, upon completion of construction of the Project and determination of actual Project costs, if the actual Project costs are less than \$22,000,988 (such amount being 95% of the Project Budget (exclusive of the Building 3 and Building 4 hard costs), the City will be entitled to defer further payments with respect to the City Note until such time as the City has collected Developer Incremental Taxes in an amount equal to the product of (a) 23.635%, times (b) the amount of such underage. For example, if the actual Project costs total \$21,000,998, the City would be entitled to collect and utilize for other purposes permitted under the Act but unrelated to the Project the next \$236,350 in Developer Incremental Taxes before making any further payments with respect to the City Note. Notwithstanding anything in this paragraph to the contrary, the parties agree that in the event Building 3 and/or Building 4 are not built, the City's remedy shall be as set forth under Section 15.05 and not under this Section 4.03(c).

The City may, in the future, pledge Incremental Taxes to provide assistance to other redevelopment projects located within

the Redevelopment Area ("Other Projects"). The parties acknowledge that the City is pledging to pay to the Developer the Developer Incremental Taxes but only to the extent there are sufficient Available Incremental Taxes hereunder, after taking into account (in the manner described in the following paragraph) any amounts of Incremental Taxes pledged by the City to Other Projects.

In the event that the amount of Available Incremental Taxes is less than the sum of the Developer Incremental Taxes plus those amounts pledged Other Projects in any year, the Developer will receive its Proportionate Share. Examples of the calculation of the Proportionate Share are set forth in Exhibit N, attached hereto. If in any year the Developer receives as its Proportionate Share an amount less than the amount of Developer Incremental Taxes for that year, the City will subsequently pay all or a portion of the difference to the Developer from Available Incremental Taxes at a later date, subject to other commitments that the City has made as of the date of this Agreement or that the City may make after the date of this Agreement with other developers. The Developer and every other developer for Other Projects will then receive their Proportionate Share of the Incremental Taxes made available by the City to pay such differences. Except as described in the preceding two sentences, in no event will the City be required to pay Available Incremental Taxes to the Developer in any year in an amount in excess of the Developer Incremental Taxes for that year.

The provisions of this Section 4.03(c) regarding the pledge of Incremental Taxes to Other Projects (and the 100% pledge limitation inherent in the definition of Developer Incremental Taxes) and the calculation of Proportionate Share will be included in any redevelopment agreement between the City and the developer for one of the Other Projects if the City is pledging to pay that developer, over time, all or a portion of the Incremental Taxes generated by that Other Project.

(d) Payment of Initial \$250,000. Provided that (i) the City has issued its Preliminary Certificate pursuant to Section 7.01(a), (ii) the City has paid all amounts due and owing with respect to the Bank Note and, under the terms of such Bank Note and any ordinance authorizing such Bank Note, such payment is not prohibited, (iii) adequate Incremental Taxes exist, then after satisfaction of the foregoing conditions, the City will promptly pay the Developer \$250,000 from Incremental Taxes, TIF Bond Proceeds or other legally available funds.

(e) Possible Payment of Available Incremental Taxes in 2023. If the \$250,000 described above in Section 4.03(d) and the City Note, and all interest accrued on the City Note, is paid in full on or before the City Note's Maturity Date (as defined in the City Note), then upon such payment in full, no further payments of any City Funds shall be made to the Developer. If the \$250,000 described above in Section 4.03(d) and the City Note, and all

interest accrued on the City Note, is not paid in full on or before the City Note's Maturity Date, then, notwithstanding any such non-payment, the City's obligation to pay the \$250,000 will terminate on such Maturity Date and the City Note will nonetheless be cancelled and the City will have no further obligation to pay any additional City Funds to the Developer, except as set forth in the next sentence. If the preceding sentence applies, then the City will pay to the Developer, solely from the Developer Incremental Taxes collected in calendar year 2023 (the final year in which taxes will be collected with respect to the Redevelopment Area) an amount equal to the lesser of (a) 50% of such Developer Incremental Taxes, and (b) the amount of principal and interest that remained unpaid on the City Note at the time the City Note was cancelled, plus an amount equal to any unpaid portion of the \$250,000 described above in Section 4.03(d).

(f) Conditions to Payments of Any City Funds. City Funds shall only be available to pay costs related to TIF-Funded Improvements and reserved by the City for that purpose and only so long as and to the extent that the amount of the Incremental Taxes deposited into the TIF Fund, and the amount of Available Incremental Taxes determined and reserved hereunder for payment of the City Note and shall be sufficient to pay for such costs.

(g) TIF Bonds. The City, in its sole discretion, may seek approval by the City Council approving an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the Comptroller, is marketable under the then current market conditions. The Developer will cooperate with the City in the issuance of any TIF Bonds, as provided in Section 8.05 hereof.

4.04 Requisition Form. After the issuance of the Preliminary Certificate, and thereafter through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer may submit to DPD a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made after the Developer's submission of the January 15th leasing and occupancy certificate pursuant to Section 8.06(a) but in no event later than March 31st of any calendar year with respect to the Incremental Taxes collected during the prior calendar year. If required, the Developer shall meet with DPD at the request of DPD to discuss the Requisition Form.

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. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof 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.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$100,000 or \$250,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, the Developer shall submit a Requisition Form and documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of a Requisition Form shall, in addition to the items set forth in such Requisition Form, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request relates to a reimbursement for approved Prior Expenditures constituting TIF-Funded Improvements or for other expenditures approved by DPD as constituting TIF-Funded Improvements;

(b) all amounts shown as previous payments on the current Requisition Form have been received and, if applicable, paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the expenditures to be reimbursed by the current Requisition Form, and such work and materials substantially conform to the Plans and Specifications;

(d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in material compliance with all covenants contained herein;

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens or liens being contested in accordance with Section 8;

(f) subject to Section 8.06(a), no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above are true and correct, and any disbursement of City Funds by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, 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 and the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Sections 8.06(a) and 15 hereof.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation for such initial phase of construction as DPD may approve and has submitted evidence thereof to DPD.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with Equity as set forth in Section 4.01) to complete the Project. The Developer has delivered to DPD a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the date down Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit H hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name and the names of the BGP Principals 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 any such entities or person, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to 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 of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. The Developer has provided Financial Statements to DPD and audited or unaudited interim financial statements for the current fiscal year.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, including, without limitation: evidence of the General Contractor having met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations; evidence of the Developer, the general contractor and any retained major subcontractors having met with the City's compliance monitoring staff with regard to the Developer's plan for achieving compliance with the Section 10 requirements; and evidence of the Developer's meeting with the Mayor's Office of Workforce Development to discuss the Project.

5.13 Environmental. The Developer has provided DPD with copies of all phase I environmental audits completed with respect to the Property (and, if applicable, any phase II environmental audit with respect to the Property) prepared for or otherwise in the possession of the Developer. If necessary, the Developer shall obtain an additional phase I environmental audit so that the entire Property has been audited. The Developer has provided the City with a letter from the environmental engineer(s) who completed any such audit(s) prepared for the Developer, authorizing the City to

rely on such audits. Any issues raised by such audits shall have been resolved to the City's satisfaction.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of Illinois, certificates of good standing from the Secretary of State of Illinois; a managing member's certificate in such form and substance as the Corporation Counsel may require; the operating agreement of the Developer; and such other comparable entity, organizational and authority documents for the Developer's owners as the City may reasonably require. The Developer and all other required parties has provided to the City Economic Disclosure Statements, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer and the BGP Principals, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Material Agreements. The Developer has provided copies of all material agreements relating to its acquisition, ownership and operation of the Property and the Project, including, without limitation, all acquisition documents, ground leases, synthetic leases, tenant leases, subleases, lease termination agreements, tenant relocation plans, easement and use agreements, brokerage and other fee agreements, the MWRGDC Lease (if executed), the Sublease (if executed), and such other agreements as DPD may reasonably require.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. "Responsible" bids shall exclude any bid wherein the General Contractor or subcontractor has not provided reasonable assurances to Developer of its ability to comply with

the applicable terms and conditions contained herein. In determining the lowest responsible bid, the Developer may also take into account its obligation to comply with Section 10; accordingly, the Developer may, if reasonably necessary to obtain such compliance, accept a bid as the "lowest responsible bid" that is not the lowest-priced bid. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation pursuant to Section 4.03(c) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 10% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof (and if denied, shall be accompanied by an explanation of the reason for denial). Within ten (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.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction and Rehabilitation. (a) Upon the occurrence of (i) completion of the construction and rehabilitation of the Project in accordance with the terms of this Agreement (other than Buildings 3 and 4), (ii) determination of any payments due under Section 4.03(c), (iii) the Developer's initial satisfaction of the leasing, occupancy and use covenants set forth in Section 8.06 (which, for purposes of issuance of the Preliminary Certificate only, may be satisfied by a one quarter report instead of a four quarter reporting period average), and (iv) the Developer's written request, DPD shall issue to the Developer a preliminary certificate of completion (the "Preliminary Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project (exclusive of the construction of Buildings 3 and 4) in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Preliminary Certificate within thirty (30) days by issuing either such certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Preliminary Certificate. The Developer may resubmit a written request for a Preliminary Certificate upon completion of such measures.

(b) Upon the occurrence of (i) completion of the construction of Building 3 and/or Building 4 (or, in the alternative, Developer's written notice to DPD of its election to not construct either Building 3 and/or Building 4) of the Project in accordance with the terms of this Agreement, (ii) redetermination of any payments due under Section 4.03(c), if applicable, (iii) the Developer's then-current satisfaction of the leasing, occupancy and use covenants set forth in Section 8.06, and (iv) the Developer's written request, DPD shall issue to the Developer a final certificate of completion (the "Final Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Final Certificate within thirty (30) days by issuing either such certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Final Certificate. The Developer may resubmit a written request for a Final Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificates; Continuing Obligations. The Preliminary Certificate and the Final Certificate relate only to the construction and rehabilitation work associated with the Project and current satisfaction of the leasing, occupancy and use covenants set forth in Section 8.06, and upon such certificate's issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of such certificates, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement, or such shorter period as may be expressly provided for herein, as to the parties described in the following paragraph, and the issuance of any such certificates shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, 8.19, 8.20 and 8.22 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement (or such shorter period as may be expressly provided for herein) notwithstanding the issuance of any such certificates; provided, that upon the issuance of a Preliminary Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled (subject to the City's exercise of the special remedy provided in Section 15.04 if the residential development is not completed within the time frame specified in Section 8.20 and the special remedy provided in Section 15.05 in the event that one or both of

Building 3 and Building 4 are not constructed within the time frame specified in Section 3.01). The other executory terms of this Agreement that remain after the issuance of a Preliminary Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. If the Developer fails to complete the Project and obtain a Preliminary Certificate in accordance with the terms of this Agreement (it being agreed that failure to ever construct one or both of Building 3 and Building 4 shall not constitute a failure to complete the Project but shall entitle the City to the special remedy in Section 15.05), then the City shall have the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto. In addition, in the event that the Developer constructs one or both of Building 3 and Building 4, and, based on such additional construction costs, fails to satisfy Section 10.03 requirements, the City shall also have the right to recover all City Funds previously paid under this Agreement.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) the Developer is an Illinois limited liability company, duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any 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 limited liability company action, and does not and will not violate its Articles of Organization or operating agreement, as amended, 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 or the Property is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under 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, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the Developer is now and during its ownership of the Property shall remain solvent and able to pay its debts as they mature;

(f) 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 (including, without limitation, appropriate environmental approvals) necessary to conduct its business and 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 are, and 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, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD, which shall be in DPD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease (except leases with Project tenants in the ordinary course of business), sublease (except for the Sublease) 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); (3) enter into any transaction outside the ordinary course of the Developer's business that would materially adversely affect the ability of the Developer to complete the Project; (4) assume, guarantee, endorse, or

otherwise become liable in connection with the obligations of any other person or entity if this would materially and adversely affect the ability of the Developer to complete the Project; (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; or (6) effect an assignment pursuant to Section 18.15, provided, however, that prior to the issuance of a Certificate, and notwithstanding the foregoing, (I) the Developer will be entitled to assign, pledge or convey the City Note, subject to DPD's prior written consent, which shall not unreasonably be withheld, (II) individual owners of the Developer will be entitled to transfer their ownership interests to other existing owners, to immediate family members and to personal trusts controlled by such individual owners, (III) the Developer will be entitled to admit additional equity investors as owners, so long as the BGP Principals have at all times personally provided at least 50% of the Equity set forth in Section 4.01, as the same may be increased hereunder, and (IV) the Developer may transfer its entire ownership interest in the Project to a wholly owned subsidiary; after the issuance of a Certificate, the Developer may also sell, transfer or convey the Property with the prior written consent of the City, which shall not be unreasonably be withheld so long as the purchaser assumes the Developer's continuing obligations under this Agreement in accordance with Section 18.15;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of DPD, which shall be in DPD's sole discretion, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; after the issuance of a Certificate, the Developer shall be entitled to incur additional indebtedness secured by the Property provided any such mortgagee executes a subordination agreement acknowledging that its mortgage lien is subordinate to the covenants identified in Section 7.02 that run with the land; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 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, any TIF Bond Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, any planned development applicable to the Property or any portion thereof, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

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

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 TIF 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 TIF Bonds or other bonds or notes in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for the City Note (with any payment or prepayment being without penalty or premium). The Developer shall cooperate and provide reasonable assistance in connection with the marketing of any such TIF Bonds or notes, 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, but shall not be required to incur material costs in doing so.

8.06 Leasing and Occupancy; Shopping Center Use. (a) From the issuance of the Preliminary Certificate through the Tenth Anniversary Date, not less than seventy percent (70%) of the net leaseable square footage of the Project buildings shall at all times be leased and occupied (the "Leasing and Occupancy Covenant").

For purposes of this Section 8.06(a), any newly constructed leaseable area at the Property shall be included as part of the net leaseable square footage upon the earlier to occur of (i) the date that is twelve months from the substantial completion of the "core and shell" improvements for such space, and (ii) the date on which such space is occupied and open for business.

The Leasing and Occupancy Covenant shall be tested as follows. After the issuance of a Preliminary Certificate and through the Tenth Anniversary Date, the Developer, on a quarterly basis, on or

about January 15th, April 15th, July 15th and October 15th, shall provide DPD with a certificate of compliance for the immediately preceding calendar quarter. Each such four quarter reporting period shall constitute a "Testing Period." Such certificate shall include a tenant roster reflecting total leased square footage and actual space occupied, and such other information as DPD may reasonably require. In addition, the Developer shall use reasonable efforts to include in such certificate the Developer's reasonable estimate of the total number of employees working at the Property (the "Jobs Data") it being agreed that while the Developer shall not have a separate jobs covenant, it shall use reasonable efforts to obtain and report the Jobs Data. The Jobs Data may be based on an average of daily, weekly, monthly or other information as the Developer, in its reasonable and good faith discretion, may elect, provided, however, that after such initial election, Developer shall use reasonable efforts to cause the Jobs Data to be reported on a consistently applied basis. Inclusion of such Jobs Data is for the City's information purposes only and the Developer shall not make any representation or warranty concerning its accuracy, nor shall the Developer's failure to include such Jobs Data ever give rise to an Event of Default.

If any January 15th certificate (other than the first January 15th certificate submitted, which may be based on a single quarter reporting period) indicates that, based on the four quarter average for the applicable Testing Period, the Leasing and Occupancy Covenant was breached during such Testing Period, then, without any further notice from the City, an Event of Default shall exist effective as of the last day of such Testing Period and the Developer shall have had its first "Low Occupancy Year." Notwithstanding such first Low Occupancy Year (and provided no other Event of Default exists and the Developer has not exhausted its cure rights under this Section 8.06(a)), the Developer shall be entitled to submit a Requisition Form with respect to the Incremental Taxes received by the City during the first Low Occupancy Year and interest shall accrue on the City Note during such first Bad Year; provided, however, that any City Funds paid with respect to such first Low Occupancy Year will be subject to recapture under Section 15.02 if the Event of Default is not subsequently cured. In addition, interest on the City Note shall cease to accrue as of the January 1st immediately following the first Low Occupancy Year.

If the Event of Default is not cured during the next Testing Period, then the Developer will have had its second Low Occupancy Year. The Developer shall not be entitled to submit a Requisition Form with respect to the Incremental Taxes received by the City during the second Low Occupancy Year. No interest shall accrue on the City Note during such second Low Occupancy Year.

If the Event of Default is not cured during the next year's Testing Period, then the Developer will have had its third Low

Occupancy Year and, the City, effective as of the last day of such third Low Occupancy Year, and without further notice or cure period, shall be entitled to immediately exercise the remedies set forth in Section 15.02.

If, however, after the first Low Occupancy Year, the Event of Default is cured during the next year's Testing Period, then the Developer will be entitled to submit a Requisition Form with respect to the Incremental Taxes received by the City during such curative Testing Period. Interest shall again begin to accrue on the City Note as of the January 1st following the curative Testing Period. In addition, if after the first Low Occupancy Year, the Event of Default is cured during the next year's Testing Period, then the Developer will be entitled to the second cure period described in the next paragraph if a Leasing and Occupancy Covenant is breached during a subsequent Testing Period (a "Second Event of Default").

If a Second Event of Default occurs, the provisions set forth above in the fourth paragraph of this Section 8.06(a) applicable to a first Low Occupancy Year shall again initially apply (i.e., provided no other Event of Default exists, the Developer may submit a Requisition Form and interest on the City Note shall accrue during the second defaulted Testing Period, with any City Funds paid to the Developer being subject to recapture if the Second Event of Default is not cured). If the Second Event of Default is cured during the next year's Testing Period, then the Developer shall have avoided a third Low Occupancy Year and certain provisions set forth above in the seventh paragraph of this Section 8.06(a) shall again apply (i.e., the Developer may submit a Requisition Form, and interest shall again begin to accrue on the City Note as of the January 1st following such curative Testing Period). However, if a third breach of the Leasing and Occupancy Covenant occurs, the Developer will have had its third Low Occupancy Year and the City, as of the last day of the third Low Occupancy Year, and without further notice or cure period, may immediately exercise the remedies set forth in Section 15.02. If the Second Event of Default is not cured during the next year's Testing Period, then the Developer shall have had its third Low Occupancy Year and the City, as of the last day of third Low Occupancy Year, and without further notice or cure period, may immediately exercise the remedies set forth in Section 15.02.

For illustrative purposes, if the Developer's certificates reflected leasing and occupancy rates of 75%, 70%, 65% and 65% for the quarters ended March 31, 2006, June 30, 2006, September 30, 2006 and December 31, 2006, respectively, then an Event of Default would exist as December 31, 2006 for such Testing Period. The Developer would nonetheless be entitled to submit a Requisition Form in January 2007 with respect to the Incremental Taxes received by the City in calendar 2006 and interest on the City Note would accrue during calendar year 2006. However, no interest on the City

Note would accrue during calendar year 2007. If the Developer's certificates for the 2007 Testing Period reflected quarterly leasing and occupancy rates of 75%, 70%, 70% and 65%, then the Developer would have cured the Event of Default. The Developer would then be entitled to submit a Requisition Form in January 2008 with respect to the Incremental Taxes received by the City in calendar 2007. The Developer would also be entitled to the second cure period described in the above paragraph. Effective January 1, 2008, interest on the City Note would again begin to accrue. However, if the Developer's certificates for the 2007 Testing Period did not evidence a cure of the Event of Default, then the Developer would not be entitled to submit a Requisition form in January 2008. No interest would accrue on the City Note during calendar year 2008. If the Developer's certificates for the 2008 Testing Period did not evidence a cure of the Event of Default, then the Developer will have had its third Low Occupancy Year and the City, as of December 31, 2008, and without further notice or cure period, shall be entitled to immediately exercise the remedies set forth in Section 15.02. This would include, without limitation, recapturing City Funds paid with respect to calendar Year 2006 (the first Low Occupancy Year). If the Developer's certificates for the 2008 Testing Period evidenced a cure of the Event of Default, then the Developer would be entitled to submit a Requisition Form in January 2009 with respect to the Incremental Taxes received by the City in calendar year 2008. Effective January 1, 2009, interest on the City Note would again begin to accrue. However, the Developer would not be entitled to any further cure period, and any subsequent breach of the Leasing and Occupancy Covenant would constitute an immediate Event of Default, and the City, as of the last day of such third defaulted Testing Period, and without further notice or cure period, would be entitled to immediately exercise the remedies set forth in Section 15.02.

Notwithstanding the above paragraph, if any Event of Default exists under this Section 8.06(a) at the time of the issuance of any TIF Bonds or TIF notes (other than other TIF notes issued to Developers for other projects) by the City Council, the City may, in its sole discretion, elect to shorten or terminate, if reasonably necessary to comply with applicable law relating to the issuance and expenditure of the proceeds of such tax increment revenue obligations (such as, for example, the obligation to expend such proceeds within certain mandatory time frames), the applicability of the special cure periods provided for in Section 8.06(a). In the event of any such issuance, the City and the Developer shall negotiate in good faith such amendment to this Agreement as may be necessary to preserve both the Developer's right to exercise, to the extent feasible, the special cure periods provided for in this Section 8.06(a) after such issuance and, in

the event the City Note is prepaid using the proceeds of such issuance, the City's right to recapture any City Funds in a manner that would provide the City with comparable remedies (i.e., remedies that would provide the City with comparable rights to limit or recover the payment of City Funds so that the City's financial exposure would be comparable to those under this "pay-as-you-go" Agreement) to those provided for in this Agreement.

(b) During the Term of the Agreement, the Property shall be maintained and operated as a retail shopping center.

(c) From the issuance of the Preliminary Certificate through the Tenth Anniversary Date, the lessee and occupant of approximately 25,000 of the 30,000 square foot retail facility shall at all times be Borders Books or an Approved Tenant;

(d) From the issuance of the Preliminary Certificate through the Tenth Anniversary Date, the lessee and occupant of the approximately 9,562 square foot retail facility shall at all times be Famous Footwear or an Approved Tenant.

The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee (which shall also be subject to the prior exercise and/or exhaustion of one or both of the special cure periods provided for herein).

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City on a monthly basis. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall. The Developer shall also, upon DPD's request, provide copies of any draw requests, lien waivers, sworn statements and other documents relating to the construction of the project as DPD may reasonably request.

8.08 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, statements of its employment profile upon DPD's request.

8.09 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 8.09.

8.10 Arms-Length Transactions. Unless DPD has 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. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement. DPD hereby approves leasing fees paid to Terraco, Inc., Washington Properties, Inc., and Mid-America Real Estate Corp. at customary industry standard rates.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants 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, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 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.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2002 and each fiscal year thereafter for the Term of the Agreement. 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.

8.14 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of 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 or may 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 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.

(b) Right to Contest. The Developer has 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, prevent the imposition of a lien or remove such lien, or prevent 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 8.15); 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.

8.16 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.

8.17 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 (or, if not in current compliance, shall be in such compliance after completion of any construction or rehabilitation work associated with the Project). Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 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 against the Property 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. 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.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of 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 or may 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 (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has 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. 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 or remove 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.

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any uncontested Governmental Charge or to make timely payments in the event the Developer is unsuccessful in its efforts obtain a discharge of a contested Governmental Charge, 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 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.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property that is necessary to support the debt service indicated ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) 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 indicated 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.

(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 for the applicable year.

(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 any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) 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 all amounts due and payable under this Agreement, or any obligations issued pursuant thereto, have been repaid. The Developer agrees that any sale, lease, 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 explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Residential Development. By no later than April 1, 2004, the Developer will cause the construction of residential development to be commenced on the real property demised under the Sublease in accordance with the terms of the Planned Development, the MWRDGC Lease and the Sublease, or, in the alternative, demonstrate to the reasonable satisfaction of the Commissioner of DPD that such project is not viable. The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

8.21 Public Benefits Program. The Developer shall, prior to the Closing Date, make payment in the amount of \$31,740 to the Girl Scouts of America to provide a public benefits to the West Humboldt Park Troops of the Girl Scouts of Chicago.

8.22 Job Readiness Program. The Developer shall notify each tenant in the Project in writing advising them of the job readiness and training programs established by the City and available through the Mayor's Office of Workforce Development in order to identify qualified job applicants for the positions retained and created at the Project. The Developer shall provide a copy of such letters to DPD.

8.23 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and 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 (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 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.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 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 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer (to the extent that the Developer employs persons in the operation of the Property) and during the period of any other party's provision of services in connection with the construction of the Project:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: 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. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in

connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

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

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled 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 Chief Procurement Officer of the City.

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

The Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted 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 Employer hired the employee should be written in after the employee's name.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them upon advance notice and during customary business hours at a mutually agreeable location. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) 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 Developer, the General Contractor and each subcontractor 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 Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago 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. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

The Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

10.03 The Developer's MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that, during the Project:

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached as Exhibit F-2 (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

i. At least 25 percent by MBEs.

ii. At least 5 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

c. Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor 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.

d. The Developer shall deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, during customary business hours, at a mutually agreeable location, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this Subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

f. Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

g. Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall on a monthly basis submit the documentation required by this Section 10.03 to the monitoring staff of DPD, including the following:

(i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; (viii) evidence of compliance with job creation/job retention requirements; and (ix) MBE/WBE Utilization Plan. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, and the lapse of thirty (30) days without a cure, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. 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, any TIF Bond Ordinances 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: (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 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 Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. coverages shall include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

(ii) Commercial General Liability Insurance (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor shall provide Automobile

Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory bases.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall provide, or cause to be provided with respect to the operations that the Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall provide, or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and has limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, 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. The receipt of

any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer (and/or the General Contractor, in respect to its subcontractors) may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor

and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(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 information statement 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 any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public

policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 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, if any, 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, upon five (5) days advance notice, during customary business hours, at a mutually agreeable location. 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.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. In addition to the Event of Default specified in Section 8.06(a), the occurrence of any one or more of the following events, subject to the provisions of Section 15.03, 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 related agreement (other than an Event of Default specified in Section 8.06(a);

(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 ability to perform its obligations under this Agreement;

(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 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 sixty (60) 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 sixty (60) days after the commencement thereof;

(g) the entry of any final judgment or order against the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period, and for which the lender has taken steps to accelerate the Developer's indebtedness or realize upon its collateral;

(i) the dissolution of the Developer; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any BGP Principal, which is not dismissed within thirty (30) days, or the indictment of the Developer or any BGP Principal for any crime (other than a misdemeanor).

15.02 Remedies. Subject to Section 8.06(a), Section 15.04 and Section 15.05, upon the occurrence of an Event of Default, the City may terminate this Agreement, may terminate all related agreements, may cancel the City Note, and may terminate or suspend disbursement of City Funds and recapture any amounts due under Section 8.06(a). The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Notwithstanding the foregoing, the remedy of specific performance shall not apply to the obligation to complete the Project (because the remedies listed in Section 7.03 will apply to such failure).

15.03 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 has failed to perform such monetary covenant within ten (10) 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 has failed to cure such default within thirty (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 thirty (30) day period (other than defaults under Section 8.06(a), which are governed by Section 8.06(a)), 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 thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Limited Remedy for Residential Development Default. Notwithstanding Section 15.02, if a breach of Section 8.20 results in an Event of Default (and no other Event of Default exists), the City's sole remedy for such breach shall be to terminate the Developer's right to receive payment of any Developer Incremental Taxes pursuant to Section 4.03(e).

15.05 Limited Remedy for Failure to Construct Building 3 or Building 4. If the Developer fails to construct (or cause to be constructed) either Building 3 or Building 4 by the date specified in Section 3.01(c) (and no Event of Default exists), then the City's sole remedy for such failure will be to reduce the initial principal amount of the City Note (retroactive to the date of the issuance of the City Note) by \$250,000 for each such building that is not constructed (i.e., if neither building is built, the principal amount would be reduced by \$500,000).

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit H hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City or which is permitted under Section 8.01(k) is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted 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 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted 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 18.15 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 (except for purposes of receiving payment of any City Funds, which shall not occur without the City's prior written consent, which shall be in the City's sole discretion) 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 has 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 under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD, which shall be in the Commissioner's sole discretion.

SECTION 17. 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 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

With Copies To: City of Chicago
 Department of Law
 Finance and Economic Development
 Division
 121 North LaSalle Street, Room 600
 Chicago, IL 60602

If to the Developer: BGP Lincoln Village, L.L.C.
 8707 N. Skokie Blvd., Suite 230
 Skokie, Illinois 60077

And to: Jeff Gumbiner
Washington Properties, Inc.
400 Skokie Blvd., Suite 405
Northbrook, Illinois 60062

With a copy to: Polsky & Associates, Ltd.
205 N. Michigan Avenue, Suite 3305
Chicago, Illinois 60601
Attn: Sam Polsky

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 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction, leasing, occupancy or use obligations of Developer (including those set forth in Sections 8.06, 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project.

18.02 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.

18.03 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.

18.04 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.

18.05 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. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 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.

18.07 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.

18.08 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.

18.09 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.

18.10 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.

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

18.12 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.

18.13 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.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement, or in the City Note, without the written consent of the City, which, prior to the issuance of a Certificate, shall be in the City's sole discretion and, after the issuance of the Certificate, shall be in the City's reasonable discretion. 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, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them 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 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 obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agree to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer

also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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.

BGP LINCOLN VILLAGE, L.L.C., an Illinois
limited liability company

By: _____

Its: _____

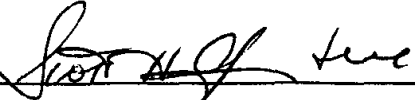
CITY OF CHICAGO, acting by and through
its Department of Planning and
Development

By: *Alicia MBerg*
Alicia Mazur Berg, Commissioner

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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.

BGP LINCOLN VILLAGE, L.L.C., an Illinois limited liability company

By: 
Its: Managing Member

CITY OF CHICAGO, acting by and through its Department of Planning and Development

By: Alicia Mazur Berg, Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

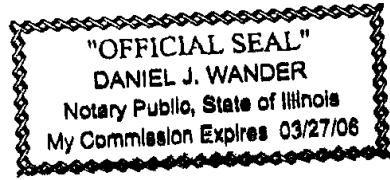
I, Daniel Wander, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Scott H. Cordell, personally known to me to be the managing member of BGP Lincoln Village, L.L.C., an Illinois limited liability company (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the members of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

June GIVEN under my hand and official seal this 17 day of _____, 2002

[Signature]
Notary Public

My Commission Expires _____

(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, RONALD MOHAMMED, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Alicia Mazur Berg, 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 day 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 6th day of May, 2002.

Ronald Mohammed
Notary Public

My Commission Expires 6-21-05

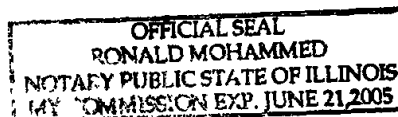


Exhibit "A".
(To Ordinance)

Lincoln Avenue Redevelopment Plan.

Legal Description.

That part of Sections 1, 2 and 12, Township 40 North, Range 13 East of the Third Principal Meridian, all located in Cook County, State of Illinois, described as follows:

beginning at the intersection of the west line of North Central Park Avenue and the centerline of West Devon Avenue, said centerline of West Devon Avenue also being the north limits of the City of Chicago and the north line of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian; thence east along said centerline of West Devon Avenue to the west line of North Kedzie Avenue; thence south 126 feet along said west line of North Kedzie Avenue; thence west along a line south and parallel from the centerline of West Devon Avenue to the east bank of the North Shore Channel; thence southerly along said east bank of the North Shore Channel to the northeast line of North Lincoln Avenue; thence southeasterly along said northeasterly line of North Lincoln Avenue to the west line of North Kedzie Avenue; thence northeasterly to the northwest corner of Lot 14 of Krenn and Dato's Lincoln/Kedzie Addition to North Edgewater being a subdivision in the west half of the northwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8231545; thence east along the north line of said Lot 14 of aforesaid Krenn and Dato's Lincoln/Kedzie Addition to North Edgewater to the east line of Lots 1 through 13 inclusive of said Krenn and Dato's Lincoln/Kedzie Addition to North Edgewater; thence south 105.51 feet, more or less, along the southerly extension of the east line of said Lots 1 through 13 inclusive of aforesaid Krenn and Dato's Lincoln/Kedzie Addition to North Edgewater to the north face of a concrete deck; thence east 4.48 feet, more or less, along said northerly face of a concrete deck to the northeast corner of said concrete deck; thence south 38.53 feet, more or less, along the east face of said concrete deck to the southeast corner of said concrete deck; thence west 3.83 feet, more or less, along the south face of said concrete deck to its intersection with the east line extended south of Lots 1 through 13 inclusive with the east line extended south of Lots 1 through 13 inclusive of aforesaid Krenn and Dato's Lincoln/Kedzie Addition to Edgewater; thence south along said southerly extension of the east line of said Lots 1 through 13 inclusive to the northeasterly line of North Lincoln Avenue; thence southeasterly along said northeasterly line of North Lincoln Avenue to its intersection with the north line of Block 8 of Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater in the

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northwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 6133092; thence east along said north line of Block 8 of aforesaid Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater to the west line of Lot 10 in Block 7 of aforesaid Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater, said west line of Lot 10 in Block 7 being also the east line of North Troy Street; thence south along said east line of North Troy Street to the southwesterly line of said Lot 10 in Block 7 aforesaid Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater, being also the northeasterly line of the alley northeast of North Lincoln Avenue; thence southeasterly along said northeasterly line of the alley northeast of North Lincoln Avenue to the east line of said Lot 10 of Block 7 of aforesaid Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater, being also the west line of the alley east of North Troy Street; thence north along said west line of the alley east of North Troy Street to the westerly extension of the north line of Lot 2 in Block 7 of aforesaid Nixon and Prassa's Lincoln and Peterson Avenue Addition to North Edgewater; thence east along said north line of Lot 2 in Block 7 and its easterly extension to the east line of North Albany Avenue; thence south along said east line of North Albany Avenue to the north line of West Peterson Avenue; thence east along said north line of West Peterson Avenue to the east line of North California Avenue; thence south along said east line of North California Avenue to the easterly extension of the north line of Lot 272 of Krenn and Dato's Polo Grounds Addition to North Edgewater in the southwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8719542; thence west along said north line of Lot 272 of aforesaid Krenn and Dato's Polo Grounds Addition to North Edgewater to the west line of said Lot 272, said west line of Lot 272 being also the east line of the alley west of North California Avenue; thence south along said east line of the alley west of North California Avenue to the north line of West Ardmore Avenue; thence east along said north line of West Ardmore Avenue to the east line of North California Avenue; thence south along said east line of North California Avenue to the north line of Lot 17 in Block 28 of W.F. Kaiser and Company's First Addition to Arcadia Terrace being a subdivision in the southwest quarter of the southeast quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 5450347; thence east along said north line of Lot 17 in Block 28 of aforesaid W.F. Kaiser and Company's First Addition to Arcadia Terrace Subdivision and its easterly extension to the west line of Lot 10 in Block 28 of said W.F. Kaiser and Company's First Addition to Arcadia Terrace Subdivision, said west line of Lot 10 in Block 28 being also the east line of the alley east of North California Avenue; thence south along said east line of the alley east of North California Avenue to the southwesterly line of said Lot 10 in Block 28 of aforesaid W.F. Kaiser and Company's First Addition to Arcadia Terrace Subdivision, said southwesterly line of Lot 10 in Block 28 being also the northeasterly line of the alley northeast of North Lincoln Avenue;

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thence southeasterly along said northeasterly line of the alley northeast of North Lincoln Avenue to the southeast corner of Lot 23 in Block 34 of W.F. Kaiser and Company's Second Addition to Arcadia Terrace being a subdivision in the southwest quarter of the southeast quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 5520267; thence continuing southeasterly to the southwest corner of Lot 14 in Block 34 of aforesaid W.F. Kaiser and Company's Second Addition to Arcadia Terrace Subdivision, the south line of said Lot 14 in Block 34 being also the north line of the alley north of West Bryn Mawr Avenue; thence east along said north line of the alley north of North Bryn Mawr Avenue to the east line of North Rockwell Street; thence south along said east line of North Rockwell Street to the northeasterly line of North Lincoln Avenue; thence southeasterly along said northeasterly line of North Lincoln Avenue to the southeasterly line of Lot 6 in Block 1 of Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision, being a subdivision of the northeast quarter of the northeast quarter of the northeast quarter of Section 12, and that part easterly of Lincoln Avenue of the west half of the east half of the northeast quarter of Section 12 (excepting therefrom that part thereof lying south of a line 200 feet north of the north line of Berwyn Avenue) all in Township 40 North, Range 13 East of the Third Principal Meridian (except streets heretofore dedicated) being Document Number 7879542; thence northeasterly along said southeasterly line of Lot 6 in Block 1 of aforesaid Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision to the southeast corner of said Lot 6 in Block 1; thence northeasterly to the southwest corner of Lot 5 in Block 1 of aforesaid Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision, the southwesterly line of said Lot 5 in Block 1 being also the northeasterly line of the alley northeast of North Lincoln Avenue; thence southeasterly along said northeasterly line of the alley northeast of North Lincoln Avenue to the south line of Lots 1 through 4 inclusive in Block 1 of aforesaid Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision, said south line of Lots 1 through 4 inclusive in Block 1 being also the north line of the alley north of West Catalpa Avenue; thence east along said north line of the alley north of West Catalpa Avenue to the northerly extension of the west line of Lot 39 in Block 2 of aforesaid Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision, said west line of Lot 39 in Block 2 being also the east line of the alley east of North Maplewood Avenue; thence south along said east line of the alley east of North Maplewood Avenue to the north line of West Catalpa Avenue; thence east along said north line of West Catalpa Avenue to the northerly extension of the west line of Lot 38 in Block 3 of aforesaid Fred W. Brummel and Company's Lincoln Bryn Mawr-Western Subdivision, said west line of Lot 38 in Block 3 being also the east line of the alley east of North Lincoln Avenue; thence south along said east line of the alley east of North Lincoln Avenue to the north line of West Balmoral Avenue; thence east along said north line of West Balmoral Avenue to the northerly extension of the west line of Lot 44 of Herbert M. Rosenthal and Roy M. Schoenbrods Budlong Woods Addition, being a resubdivision of Lots 8 to 13 both inclusive in Assessors Division of the southeast quarter of the northeast quarter of

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the northeast quarter and the northeast quarter of the southeast quarter of the northeast quarter of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 15659960, said west line of Lot 44 being also the east line of North Campbell Avenue south of West Balmoral Avenue; thence south along said east line of North Campbell Avenue to the southwest corner of Lot 40 of aforesaid Herbert M. Rosenthal and Roy M. Schoenbrods Budlong Woods Addition; thence southeasterly to the northwest corner of Lot 39 of aforesaid Herbert M. Rosenthal and Roy M. Schoenbrods Budlong Woods Addition, the west line of said Lot 39 being also the east line of the alley east of North Lincoln Avenue; thence south along said east line of the alley east of North Lincoln Avenue to the north line of West Berwyn Avenue; thence east along said north line of West Berwyn Avenue to the northerly extension of the east line of North Campbell Avenue; thence south along said east line of North Campbell Avenue and its southerly extension to the south line of West Farragut Avenue; thence west along said south line of West Farragut Avenue to the west line of Lot 11 of Greenhoff's Resubdivision of Berwyn/Western Subdivision, a subdivision of part of the southeast quarter of the southeast quarter of the northeast quarter of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 14367459; thence south along said west line of Lot 11 of aforesaid Greenhoff's Resubdivision of Berwyn-Western Subdivision to the south line of said Lot 11, said south line of Lot 11 being also the north line of the alley north of West Foster Avenue; thence east along said north line of the alley north of West Foster Avenue to the northerly extension of the east line of Lot 7 of Budlong's Subdivision of the south half of the southeast quarter of the southeast quarter of the northeast quarter of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 2066417; thence south along said east line of Lot 7 of aforesaid Budlong's Subdivision and its southerly extension to the south line of West Foster Avenue; thence west along said south line of West Foster Avenue to the southerly extension of the east line of Lot 84 in Oliver Salinger and Company's Lincoln Avenue Subdivision being a subdivision of that part of the south half of the west half of the east half of the northeast quarter of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian lying west of Lincoln Avenue, being Document Number 9119046, said east line of Lot 84 being also the west line of the alley west of North Lincoln Avenue; thence north along said west line of the alley west of North Lincoln Avenue to the south line of West Catalpa Avenue; thence northerly to the southeast corner of Lot 801 of Wm. H. Britigans Budlong Woods Golf Club Addition Number 3 being a subdivision of the northwest quarter of the northeast quarter (except that part lying northeasterly of Lincoln Avenue and except part taken for streets) in Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, also that part of the north half of the west half of the east half of the northeast quarter lying west of Lincoln Avenue in said Section 12, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 9382599; thence northwesterly along the northeasterly line of Lots 801 through 804 inclusive of said Wm. H. Britigans Budlong Woods Golf Club Addition Number 3 to

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the east line of North Rockwell Street; thence west along a line perpendicular to said east line of North Rockwell Street to the west line of said North Rockwell Street; thence north along said west line of North Rockwell Street to the south line of West Gregory Street; thence west along said south line of West Gregory Street to a line perpendicular to said south line of West Gregory Street and passing through the southeast corner of Lot 709 of aforesaid Wm. H. Britigans Budlong Woods Golf Club Addition Number 3; thence north to the southeast corner of said Lot 709 of aforesaid Wm. H. Britigans Budlong Woods Golf Club Addition Number 3, the northeasterly line of said Lot 709 being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to north line of Lots 697 through 708 inclusive of aforesaid Wm. H. Britigans Budlong Woods Golf Club Addition Number 3, said north line of Lots 697 through 708 inclusive being also the south line of the alley south of West Bryn Mawr Avenue; thence west along said south line of the alley south of West Bryn Mawr Avenue to the southerly extension of the west line of Lot 643 of aforesaid Wm. H. Britigans Budlong Woods Golf Club Addition Number 3; thence north along said west line of Lot 643 of aforesaid Wm. H. Britigans Budlong Woods Golf Club Addition Number 3 to the south line of West Bryn Mawr Avenue; thence west along said south line of West Bryn Mawr Avenue to the southerly extension of the east line of the vacated street by ordinance on Document Number 16879237; thence north along said east line of the vacated street to the easterly extension of the north line of Lot 5 in Block 1 of Fred W. Brummel and Company's Subdivision being a subdivision of the south half of the southwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian being Document Number 7773505; thence west along said north line of Lot 5 in Block 1 to the southerly extension of the east line of Lots 3 and 4 inclusive of said Block 1; thence north along said east line of Lots 3 to 4 inclusive in Block 1 of aforesaid Fred W. Brummel and Company's Subdivision to the north line of said Lot 3 in Block 1 of aforesaid Fred W. Brummel and Company's Subdivision; thence west along said north line of Lot 3 in Block 1 of aforesaid Fred W. Brummel and Company's Subdivision, and its westerly extension to the east line of Lots 16 and 17 in Block 1 of aforesaid Fred W. Brummel and Company's Subdivision, said east line of Lots 16 and 17 in Block 1 being also the west line of the alley east of North Fairfield Avenue; thence north along said west line of the alley east of North Fairfield Avenue to northeasterly line of Lots 17 and 18 in Block 1 of aforesaid Fred W. Brummel and Company's Subdivision, said northeasterly line of Lots 17 and 18 in Block 1, being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to the east line of North California Avenue; thence west to the intersection of the west line of North California Avenue and the south line of West Hollywood Avenue; thence west along the south line of West Hollywood Avenue to the southerly extension of the east line of Lot 10 in Block 46 of W. F. Kaiser and Company's Peterson Woods Addition to Arcadia Terrace in the southwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document

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Number 5557707, said east line of Lot 10 in Block 46 being also the west line of the alley west of North California Avenue; thence north along said west line of the alley west of North California Avenue to the northeasterly line of Lot 12 in Block 46 of aforesaid W. F. Kaiser and Company's Peterson Woods Addition to Arcadia Terrace, said northeasterly line of Lot 12 in Block 46 being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to the east line of North Virginia Avenue; thence westerly along a line perpendicular to said east line of North Virginia Avenue to the west line of said North Virginia Avenue; thence northerly along said west line of North Virginia Avenue to the south line of Lot 1 in Block 39 of aforesaid W. F. Kaiser and Company's Peterson Woods Addition to Arcadia Terrace, said south line of Lot 1 in Block 39 being also the north line of the alley south of West Peterson Avenue; thence west along said north line of the alley south of West Peterson Avenue to the east line of the right-of-way of the Sanitary District of Chicago; thence north along said east line of the right-of-way of the Sanitary District of Chicago to the south line of West Peterson Avenue; thence west along said south line of West Peterson Avenue to the west line of the right-of-way of the Sanitary District of Chicago; thence north along said west line of the right-of-way of the Sanitary District of Chicago to the southeasterly extension of the northeasterly line of Lot 7 in Block 3 of Oliver Salinger and Company's 8th Kimball Boulevard Addition to North Edgewater being a subdivision in the northeast fractional quarter south of the Indian Boundary Line of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8463190, said northeasterly line of Lot 7 in Block 3 being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to the east line of North Jersey Avenue; thence westerly along a line perpendicular to said east line of North Jersey Avenue to the west line of said North Jersey Avenue; thence north along said west line of North Jersey Avenue to the south line of Lot 12 in Block 1 of aforesaid Oliver Salinger and Company's 8th Kimball Boulevard Addition to North Edgewater; thence west along said south line of Lot 12 in Block 1 of aforesaid Oliver Salinger and Company's 8th Kimball Boulevard Addition to North Edgewater and its westerly extension to the east line of Lots 21 through 25 inclusive in said Block 1 of aforesaid Oliver Salinger and Company's 8th Kimball Boulevard Addition to North Edgewater, said east line of Lots 21 thru 25 inclusive in Block 1 being also the west line of the alley west of North Jersey Avenue; thence north along said west line of the alley west of North Jersey Avenue to the northeasterly line of Lot 25 in Block 1 of aforesaid Oliver Salinger and Company's 8th Kimball Boulevard Addition to North Edgewater, said northeasterly line of Lot 25 in Block 1 being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to the east line of North Kimball Avenue; thence south along said east line of North Kimball Avenue to the easterly extension of the south line of West Granville Avenue; thence west along said line and its easterly extension of the south line of West Granville Avenue

to southerly extension of the east line of Lot 13 in Block 4 of Oliver Salinger and Company's 6th Kimball Boulevard Addition to North Edgewater, being a subdivision in the northeast fractional quarter south of the Indian Boundary Line in Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8393618 said east line of Lot 13 in Block 4 being also the west line of the alley west of North Kimball Avenue; thence north along said west line of the alley west of North Kimball Avenue to the northeasterly line of Lot 18 in said Block 4 of Oliver Salinger and Company's 6th Kimball Boulevard Addition to North Edgewater, said northeasterly line of Lot 18 in Block 4 being also the southwesterly line of the alley southwest of North Lincoln Avenue; thence northwesterly along said southwesterly line of the alley southwest of North Lincoln Avenue to the north line of Lot 33 in Block 2 of Oliver Salinger and Company's 4th Kimball Boulevard Addition to North Edgewater, a subdivision in fractional north east quarter of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8300153, said north line of Lot 33 in Block 2 being also the south line of the alley south of West Devon Avenue; thence west along said south line of the alley south of West Devon Avenue to the west line of North Central Park Avenue; thence north along said west line of North Central Park Avenue to the point of beginning. excepting therefrom that part described as follows:

beginning at the northeast corner of Lot 107 of Krenn and Dato's Polo Grounds Addition to North Edgewater in the southwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian, being Document Number 8719542, the east line of said Lot 107 being also the west line of North Richmond Street; thence south along said west line of North Richmond Street to the southwesterly line of Lot 93 of aforesaid Krenn and Dato's Polo Grounds Addition to North Edgewater, said southwesterly line of Lot 93 being also the northeasterly line of the alley northeast of North Lincoln Avenue; thence northwesterly along said northeasterly line of the alley northeast of North Lincoln Avenue to the west line of Lot 65 of aforesaid Krenn and Dato's Polo Grounds Addition to North Edgewater, said west line of Lot 65 being also the east line of the alley west of North Sacramento Avenue; thence north along said east line of the alley west of North Sacramento Avenue to the north line of Lot 69 of aforesaid Krenn and Dato's Polo Grounds Addition to North Edgewater, said north line of Lot 69 being also the south line of the alley south of West Peterson Avenue; thence east along said south line of the alley south of West Peterson Avenue to the point of beginning. Also except that part of the northwest quarter of Section 1, Township 40 North, Range 13 East of the Third Principal Meridian described as follows:

commencing at the southwest corner of said northwest quarter of Section 1; thence northerly along the west line of said northwest quarter of Section 1 to the north line of the south 5.27 chains of said northwest quarter to the point of beginning; thence continuing north along said east line of the northwest quarter to the centerline of North Lincoln Avenue; thence southeasterly along the

centerline of North Lincoln Avenue to the north line of the south 5.27 chains of the northwest quarter of said Section 1; thence west along said north line of the south 5.27 chains of the northwest quarter of Section 1 to the point of beginning.

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Exhibit B

Legal Description of Developer Property

PARCEL 1:

That part of the Northeast Fractional 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, described as follows:

Beginning at the intersection of the West line of the right of way of the Sanitary District of Chicago and the center line of Lincoln Avenue as formerly located; thence Northwesterly along the center line of Lincoln Avenue as formerly located 1200 feet; thence Northeasterly on a line at right angles to said center line of Lincoln Avenue, 168.8 feet; thence East 679.5 feet to said West line of the right of way of the Sanitary District of Chicago; thence Southerly along the West line of said right of way 918.73 feet to the point of beginning (except that part lying Southwesterly of a line 83 feet Northeasterly of and parallel to the Southerly or Southwesterly line of Lincoln Avenue as formerly located) and excepting that part of the premises in question described as follows:

That part of the Northeast 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, described as follows:

Commencing at the intersection of the center line of Lincoln Avenue and the center line of Kimball Avenue extended North; thence Northwesterly 20.90 feet along the center line of Lincoln Avenue to a point; thence Northeasterly 50 feet along a line forming an angle of 90 degrees with the last described course, to a point on the Northeasterly right of way line of Lincoln Avenue, which is the point of beginning; beginning at aforesaid described point; thence Northeasterly 118.80 feet, along a line forming an angle of 90 degrees with the Northeasterly right of way line of Lincoln Avenue to a point; thence Easterly 93.56 feet along a line forming an angle of 49 degrees 16 minutes to the right with a prolongation of said last described course to a point; thence Southwesterly 179.85 feet along a line forming an angle of 130 degrees 44 minutes to the right with a prolongation of said last described course to a point on the Northeasterly right of way line of Lincoln Avenue; thence Northwesterly 70.90 feet along the Northeasterly right of way line of Lincoln Avenue to the point of beginning, as condemned for Kimball Avenue on petition of the City of Chicago filed July 6, 1933, Case B-271453, Circuit Court of Cook County, Illinois.

ALSO EXCEPT THAT CONVEYED BY DEED RECORDED AUGUST 3, 2001 AS DOCUMENT NO. 0010707219 TO THE PEOPLE OF THE STATE OF ILLINOIS – DEPARTMENT OF TRANSPORTATION FOR HIGHWAY PURPOSES.

PARCEL 2:

Easement for the benefit of Parcel 1 as created and defined in an Easement Agreement dated July 16, 1984 and recorded January 10, 1985 as Document 27,402,551 for pedestrian and vehicular ingress and egress over, upon and across the following described parcel:

That part of the Northeast Fractional Quarter of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, lying Southeasterly of Kimball Avenue (McCormick Boulevard), Northeasterly of the center line of Lincoln Avenue and Westerly of the West line of the Sanitary District of Chicago described as follows: Being a strip of land 12 feet wide as measured at right angles, lying North of the following described lines: beginning at a point on the Westerly line of the Sanitary District of Chicago 918.73 feet Northwesterly of the center line of Lincoln Avenue; thence North 90 degrees West 585.57 feet to a point of termination of said line on the Easterly line of McCormick Boulevard, 230.13 feet Northerly of the center line of Lincoln Avenue, as measured along the Easterly line of McCormick Boulevard; and bounded on the East by the West line of the Sanitary District of Chicago and on the West by the Easterly right of way line of McCormick Boulevard, all in Cook County, Illinois.

Exhibit C

TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Property assembly costs, acquisition costs, site preparation costs, costs of site improvements serving as an engineered barrier addressing environmental contamination, clearing and grading of land, and other costs permitted under 65 ILCS 5/11-74.4-3(q) (2)	\$10,395,875 ¹
Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures, and leasehold improvements, and other costs permitted under 65 ILCS 5/11-74.4-3(q) (3)	\$2,204,235

TOTAL

Note: The above amounts set upper limits for the itemized redevelopment project costs. Payment of City Funds is limited as set forth in the Agreement, including specifically, but without limitation, Section 4.03 thereof.

¹ The original acquisition price was \$10,800,000. A portion of the site was subsequently sold to IDOT for \$404,125 for highway purposes.

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Exhibit D

Redevelopment Plan

[NOT ATTACHED FOR RECORDING PURPOSES]

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Exhibit E

Construction Contract

[NOT ATTACHED FOR RECORDING PURPOSES]

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Exhibit F-1
Project Budget

Site Costs	Site Preparation, Demolition, Fees & Permits	\$1,759,177
Land Acquisition		\$10,395,875
Hard Costs		
	Costs Contracted to Osman Construction Corp	
	Building 1 & 2a	\$1,657,673
	Building 2b	\$1,972,150
	Total Contracted Hard Costs	<u>\$3,629,823</u>
	Costs Not Yet Contracted	
	Interior Work (Borders)	\$800,000
	Building 3	\$1,157,500
	Building 4	\$803,600
	Building 5	\$1,105,380
	Tenant Improvements	<u>\$750,000</u>
	Total Uncontracted Hard Costs	<u>\$4,616,480</u>
	Total Hard Costs	\$8,246,303
Soft Costs		
	Architecture, Engineering & Traffic	\$300,000
	Soil Testing & Environmental	\$40,000
	Legal, Contingencies & Interest Costs	<u>\$4,378,680</u>
	Total Soft Costs	<u>\$4,718,680</u>
Total Project Cost		\$25,120,035
Total Project Cost	(less cost to construct buildings 3 & 4)	\$23,158,935

Exhibit F-2
MBE/WBE Budget

Site Costs	Site Preparation, Demolition, Fees & Permits	\$1,759,177
Hard Costs	Costs Contracted to Osman Construction Corp	
	Building 1 & 2a	\$1,657,673
	Building 2b	\$1,972,150
	Total Contracted Hard Costs	\$3,629,823
	Costs Not Yet Contracted	
	Interior Work (Borders)	\$800,000
	Building 3	\$1,157,500
	Building 4	\$803,600
	Building 5	\$1,105,380
	Tenant Improvements	\$750,000
	Total Uncontracted Hard Costs	\$4,616,480
	Total Hard Costs	\$8,246,303
Soft Costs	Architecture, Engineering & Traffic	\$300,000
	Soil Testing & Environmental	\$40,000
	Contingencies	\$1,180,000
	Total Soft Costs	\$1,520,000
MBE/WBE Total	(including the cost to construct buildings 3 & 4)	\$11,525,480
	Required MBE/WBE Expenditures	
MBE Allocation (25%)		\$2,881,370
WBE Allocation (5%)		\$576,274
		\$3,457,644

(1) The above MBE/WBE dollar value is an estimate. If the actual cost of the applicable MBE/WBE activities increase or decrease, the associated MBE/WBE dollar value will increase or decrease accordingly.

(2) In the event the Developer is not responsible for financing and/or constructing buildings 3 & 4, the MBE/WBE Budget will be adjusted to exclude all costs associated with the construction of said buildings

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Exhibit G

Legal Description of MWRDGC Property

Leasehold estate as created, limited and defined in the Lease dated August 15, 1985 between the Metropolitan Sanitary District of Greater Chicago and Lincoln Village Associates (which Lease is coincidentally disclosed of record by attachment as Exhibit A to the instrument recorded as Document No. 88-177351) as said Lease was amended by that certain sublease and consent instrument executed by said parties and Lincoln Village Investments which was disclosed of record by the Memorandum thereof recorded as Document No 88-119669. Said Lease has subsequently been further amended by the Assignment and Assumption of Lease and Security Deposit dated June 25, 1996 between Lincoln Village Associates and Lincoln Village Investments Limited Partnership and the Consent to Assignment of Lease between said parties and the Metropolitan Water Reclamation District of Greater Chicago dated as of August 8, 1996 which were collectively recorded November 24, 1999 as Document No. 09-109,863. Said Lease as so amended demises Parcels A, B and C described as follows for a term expiring on July 31, 2010:

PARCEL A:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, more particularly described as follows:

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West along the Northeasterly right-of-way line of Lincoln Avenue 462.72 feet to the point of beginning; thence continuing North 50 degrees 57 minutes 58 seconds West along said Northeasterly line 115.00 feet to the Westerly right-of-way line of the North Shore Channel; thence North 9 degrees 08 minutes 31 seconds West, along said Westerly line, 275.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 115.00 feet; thence South 8 degrees 43 minutes 31 seconds East, 275.01 feet; thence South 13 degrees 49 minutes 19 seconds West, 93.07 feet to the point of beginning.

PARCEL B:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2, Township 40 North, Range 13, East of the Third Principal Meridian, more particularly described as follows:

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West, along the Northeasterly right-of-way line of Lincoln Avenue, 577.72 feet to the Westerly right-of-way line of the North Shore Channel; thence North 9 degrees 8 minutes 31 seconds West, along said Westerly line, 275.00 feet to the point of beginning; thence continuing North 9 degrees 08 minutes 31 seconds West, 285.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 118.00 feet; thence South 8 degrees 32 minutes 20 seconds East, 285.00 feet; thence South 80 degrees 51 minutes 29 seconds West, 115.00 feet to the point of beginning.

PARCEL C:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2. Township 40 North. Range 13 East of the Third Principal Meridian, more particularly described as follows

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West, along the Northeasterly right-of-way line of Lincoln Avenue, 577.72 feet to the Westerly right-of-way line of the North Shore Channel, thence North 9 degrees 08 minutes 31 seconds West, along said Westerly line, 560.00 feet to the point of beginning; thence continuing North 9 degrees 08 minutes 31 seconds West, 285.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 145.00 feet; thence South 8 degrees 44 minutes 24 seconds East, 285.01 feet; thence South 80 degrees 51 minutes 29 seconds West, 143.00 feet to the point of beginning.

All of said Parcels A, B and C being in Cook County, Illinois

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Exhibit H

Permitted Liens

- 1 Final installment of the 2000 taxes due November 1, 2001 in the amount of \$83,677.68 is not paid, the tax record shows \$81,162.34 paid on account with the balance unpaid of record plus interest (For parcel identified by PIN 13-02-220-027). *

Taxes for the 2001 final installment and subsequent years with are not yet due and payable. (13-02-220-027) (13-02-220-028) (13-02-220-035-8002)

2. An easement in favor of Commonwealth Edison Company, its grantees, licensees, lessees and assigns for the transmission of electric energy and incidental purposes recorded September 19, 1952 as Document No. 15,440,169.
3. An easement in favor of the owner of parcel adjoining and North of the land for pedestrian and vehicular ingress and egress; utility facilities recorded January 10, 1985 as Document No. 27,402,551.
4. An easement in favor of Commonwealth Edison Company for the transmission of electric energy and incidental purposes recorded July 27, 1970 as Document No. 21,220,632.
5. Terms, provisions, easements, restrictions and covenants contained in an Agreement dated August 24, 1984 between LaSalle National Bank, as Trustee under Trust Number 107306, Harvey W. Server, Amalgamated Trust and Savings Bank, as Trustee under Trust Number 2142, and Lincoln Village Associates, relating to the Sanitary District lands adjoining the property of said parties, recorded March 23, 1988 as Document No. 88-119,667.
6. Terms, provisions, limitations of conditions contained in the leases described in Parcel 3 of Schedule A attached hereto.
7. Rights of the City of Chicago and adjoining owners in and to certain water lines on the land, as disclosed on Water Services Plats Book 98, Pages 94 and 95, of the City of Chicago, Department of Water.
8. 15 foot by 15-foot concrete sewer within Parcel 3, and the rights of the Metropolitan Sanitary District of Greater Chicago, the City of Chicago, adjoining owners and the public therein, as disclosed by the Plat Book West 5, Page 8, of the Department of Sewers of the City of Chicago.
9. Rights of the adjoining owners to the North of Parcel 1, the City of Chicago and the public in and to sewer line systems located on the land, as disclosed by said Plat Book West-5, Page 8.

10. Rights of the Metropolitan Sanitary District and the public in and to the tunnel and connecting facilities relating to the Tunnel and Reservoir Project, if any, which may be located on or under the land, as provided for in that certain unrecorded lease dated August 15, 1985 by and between the Metropolitan Sanitary District of Greater Chicago, and Lincoln Village Associates
11. Terms, conditions and provisions affecting the easement described in Schedule A as set forth in the instrument creating said easement. Rights of the adjoining owners to the concurrent use of said easement.
12. Encroachments as disclosed by Plat of Survey No. 9909014 dated October 7, 1999 with revision to March 27, 2002 by Chicago Guarantee Survey Company, of:
 - a. 1 story concrete and concrete block building located mainly on land to the North over Parcel 2 (12 feet wide easement for ingress and egress) from 1.62 to 1.96 feet over the North line thereof; b) fence and guard rail improvements near East terminus of said easement from 3.60 feet to 6.50 feet over said North line; c) cement walk and curb by West line of said building (footage of said curb and walk not stated) over said North line.
 - b. Roof overhang of 1 story brick building located on part of Parcel 1 over and across utility easement shown at Exception B.
 - c. Four signs and one metal platform located mainly on the land and over the Southwesterly and Westerly lines, said signs being 3.07, 1.49, and 4.22 feet Southwest and 2.00 feet West and said metal platform being 7.40 feet Southwest
 - d. Frame storage box and frame shed located over the Southwesterly line and onto land to the Southwest.
 - e. 1 story concrete building and 1 story brick and frame building, both on portions of Parcel 1, over and across utility easement shown at Exception D.
13. Memorandum of lease affecting the land, executed by and between the following parties for the term and upon the terms, covenants and conditions therein provided.

Lessor: Lincoln Village Investment Company Limited Partnership
 Lessee: Buffets, Inc.
 Dated: March 8, 1993
 Term: Commencing December 13, 1991 and terminating December 31, 2006.
 Recorded: April 8, 1993
 Document: 93-260,986
14. Memorandum of lease affecting the land, executed by and between the following parties for the term and upon the terms, covenants and conditions therein provided.

Lessor: Lincoln Village Investments Limited Partnership
 Lessee: Office Depot, Inc.
 Dated: April 9, 1992
 Term: 10 years with commencement and termination dates to be recorded by supplement.
 Recorded: April 9, 1992
 Document: 92-408,596

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- 15 Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees, as heretofore disclosed by rent roll attached as Exhibit A
16. Assignment of rents recorded April 5, 2002 as Document No. 0020389645 made by BGP LINCOLN VILLAGE, L L.C. to National City Bank of Michigan/Illinois.
17. Security Interest of National City Bank of Michigan/Illinois, secured party, in certain described chattels on the land, as disclosed by financing statement naming BGP LINCOLN VILLAGE, L.L.C. as Debtor and recorded April 5, 2002 as Document No. 0020389646.

*(See Policy Modification Endorsement 12T)

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Schedule A
To Exhibit H – Permitted Liens

PARCEL 1:

That part of the Northeast Fractional 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, described as follows:

Beginning at the intersection of the West line of the right of way of the Sanitary District of Chicago and the center line of Lincoln Avenue as formerly located; thence Northwesterly along the center line of Lincoln Avenue as formerly located 1200 feet; thence Northeasterly on a line at right angles to said center line of Lincoln Avenue, 168.8 feet; thence East 679.5 feet to said West line of the right of way of the Sanitary District of Chicago; thence Southerly along the West line of said right of way 918.73 feet to the point of beginning (except that part lying Southwesterly of a line 83 feet Northeasterly of and parallel to the Southerly or Southwesterly line of Lincoln Avenue as formerly located) and excepting that part of the premises in question described as follows:

That part of the Northeast 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, described as follows:

Commencing at the intersection of the center line of Lincoln Avenue and the center line of Kimball Avenue extended North; thence Northwesterly 20.90 feet along the center line of Lincoln Avenue to a point; thence Northeasterly 50 feet along a line forming an angle of 90 degrees with the last described course, to a point on the Northeasterly right of way line of Lincoln Avenue, which is the point of beginning; beginning at aforesaid described point; thence Northeasterly 118.80 feet, along a line forming an angle of 90 degrees with the Northeasterly right of way line of Lincoln Avenue to a point; thence Easterly 93.56 feet along a line forming an angle of 49 degrees 16 minutes to the right with a prolongation of said last described course to a point; thence Southwesterly 179.85 feet along a line forming an angle of 130 degrees 44 minutes to the right with a prolongation of said last described course to a point on the Northeasterly right of way line of Lincoln Avenue; thence Northwesterly 70.90 feet along the Northeasterly right of way line of Lincoln Avenue to the point of beginning, as condemned for Kimball Avenue on petition of the City of Chicago filed July 6, 1933, Case B-271453, Circuit Court of Cook County, Illinois.

ALSO EXCEPT THAT CONVEYED BY DEED RECORDED AUGUST 3, 2001 AS DOCUMENT NO. 0010707219 TO THE PEOPLE OF THE STATE OF ILLINOIS – DEPARTMENT OF TRANSPORTATION FOR HIGHWAY PURPOSES.

PARCEL 2:

Easement for the benefit of Parcel 1 as created and defined in an Easement Agreement dated July 16, 1984 and recorded January 10, 1985 as Document 27,402,551 for pedestrian and vehicular ingress and egress over, upon and across the following described parcel:

That part of the Northeast Fractional Quarter of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, lying Southeasterly of Kimball Avenue (McCormick Boulevard), Northeasterly of the center line of Lincoln Avenue and Westerly of the West line of the Sanitary District of Chicago described as follows: Being a strip of land 12 feet wide as measured at right angles, lying North of the following described lines: beginning at a point on the Westerly line of the Sanitary District of Chicago 918.73 feet Northwesterly of the center line of Lincoln Avenue; thence North 90 degrees West 585.57

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feet to a point of termination of said line on the Easterly line of McCormick Boulevard, 230 13 feet Northerly of the center line of Lincoln Avenue, as measured along the Easterly line of McCormick Boulevard; and bounded on the East by the West line of the Sanitary District of Chicago and on the West by the Easterly right of way line of McCormick Boulevard, all in Cook County, Illinois.

PARCEL 3:

Leasehold estate as created, limited and defined in the Lease dated August 15, 1985 between the Metropolitan Sanitary District of Greater Chicago and Lincoln Village Associates (which Lease is coincidentally disclosed of record by attachment as Exhibit A to the instrument recorded as Document No. 88-177351) as said Lease was amended by that certain sublease and consent instrument executed by said parties and Lincoln Village Investments which was disclosed of record by the Memorandum thereof recorded as Document No. 88-119669. Said Lease has subsequently been further amended by the Assignment and Assumption of Lease and Security Deposit dated June 25, 1996 between Lincoln Village Associates and Lincoln Village Investments Limited Partnership and the Consent to Assignment of Lease between said parties and the Metropolitan Water Reclamation District of Greater Chicago dated as of August 8, 1996 which were collectively recorded November 24, 1999 as Document No. 09-109,863. Said Lease as so amended demises Parcels A, B and C described as follows for a term expiring on July 31, 2010:

PARCEL A:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, more particularly described as follows:

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West along the Northeasterly right-of-way line of Lincoln Avenue 462.72 feet to the point of beginning; thence continuing North 50 degrees 57 minutes 58 seconds West along said Northeasterly line 115.00 feet to the Westerly right-of-way line of the North Shore Channel; thence North 9 degrees 08 minutes 31 seconds West, along said Westerly line, 275.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 115.00 feet; thence South 8 degrees 43 minutes 31 seconds East, 275.01 feet; thence South 13 degrees 49 minutes 19 seconds West, 93.07 feet to the point of beginning.

PARCEL B:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2, Township 40 North, Range 13, East of the Third Principal Meridian, more particularly described as follows:

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West, along the Northeasterly right-of-way line of Lincoln Avenue, 577.72 feet to the Westerly right-of-way line of the North Shore Channel; thence North 9 degrees 8 minutes 31 seconds West, along said Westerly line, 275.00 feet to the point of beginning; thence continuing North 9 degrees 08 minutes 31 seconds West, 285.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 118.00 feet; thence South 8 degrees 32 minutes 20 seconds East, 285.00 feet; thence South 80 degrees 51 minutes 29 seconds West, 115.00 feet to the point of beginning.

PARCEL C:

A parcel of land lying in the East 1/2 of the Northeast 1/4 of Section 2, Township 40 North, Range 13 East of the Third Principal Meridian, more particularly described as follows:

Commencing at the intersection of the East line of the aforesaid Northeast 1/4 and the Northeasterly right-of-way line of Lincoln Avenue; thence North 50 degrees 57 minutes 58 seconds West, along the Northeasterly right-of-way line of Lincoln Avenue, 577.72 feet to the Westerly right-of-way line of the North Shore Channel; thence North 9 degrees 08 minutes 31 seconds West, along said Westerly line, 560.00 feet to the point of beginning; thence continuing North 9 degrees 08 minutes 31 seconds West, 285.00 feet; thence North 80 degrees 51 minutes 29 seconds East, 145.00 feet; thence South 8 degrees 44 minutes 24 seconds East, 285.01 feet; thence South 80 degrees 51 minutes 29 seconds West, 143.00 feet to the point of beginning.

All of said Parcels A, B and C being in Cook County, Illinois.

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EXHIBIT A to PERMITTED LIENS EXHIBIT H

Unit ref #	BGP LINCOLN VILLAGE LLC February 2002	UNIT	old sqft	new sqft	LEASE EXPIRES	NEXT INCREASE	MINIMUM RBIT	CAM	REAL ESTAT TAXES	MISC./ OTHER	TOTAL THIS MONTH
410-1	The Baby's Room	8133 N. Lincoln Av	7830	7830	07/31/2005		\$6,851.25	\$2,029.48	\$2,766.72		\$11,647.45
410-3		8191 N. Lincoln Av	5500								
410-5	Amazing Savings	6141 N. Lincoln A	7830	7830	01/31/2003		110,440.38	\$2,571.01	\$2,686.27		\$15,709.66
410-6	2 Fannie May Candy	6105 N. Lincoln Av	595		03/31/2003		\$785.40	\$197.47	\$208.95		\$1,191.82
410-8	3 Joseph's Shoe Clinic	6101 N. Lincoln Av	1595				\$1,500.00				\$1,500.00
410-9	4 Famous Footwear	6199 N. Lincoln Av	4500	9612	10/31/2002		\$5,932.50	\$1,363.81	\$1,502.24		\$8,798.55
410-10	Old Country Buffet	6125-29-33 Lincol	9888	9888	12/31/2006		\$11,536.00	\$1,953.06	\$3,498.03		\$16,987.09
410-11	P S Plus Sizes	6115 N. Lincoln Av	3908	3909	07/31/2002		\$4,234.75	\$1,295.66	\$1,363.36		\$6,913.77
410-12	Kale Uniform	6179 N. Lincoln Av	2415	2415	07/31/2003	06/01/2002	\$3,018.75	\$794.92	\$853.79		\$4,667.46
410-13	Dress Barn	6193 N. Lincoln Av	5255	7900	01/31/2004		\$6,297.24	\$1,611.16	\$1,855.29		\$9,763.69
410-17	Dentalcare Part	6185 N. Lincoln Av	3300	3300	02/28/2008	03/01/2003	\$3,850.00	\$1,090.38	\$1,174.42		\$6,114.78
410-18	Sally Beauty Comp	6185 N. Lincoln Av	2280	2280	04/30/2007	05/01/2002	\$2,660.00	\$747.30	\$803.36		\$4,210.66
410-19	5 Manufacturers Bank	6101 N. Lincoln Av	831		07/31/2003	08/01/2002	\$3,584.31				\$3,584.31
410-20	Pierce Interiors	6177 N. Lincoln Av	2736	2736	09/30/2005		\$2,230.98	\$902.17	\$969.07		\$4,102.22
410-21	6 What's Cooking	6107 N. Lincoln	5023				\$7,254.13			\$50.00	\$7,304.13
410-21	6 What's Cooking		5529	5529							
410-27	Office Depot	6185 N. Lincoln Av	24112	24112	12/31/2012	01/01/2008	\$18,385.40	\$6,918.26	\$7,554.44		\$32,858.10
410-28	7 Bestcom Wireless	6175	1220	1131	5 yrs						
	Subway	6173	1220	1309	10 yrs	5 yrs					
	Payless Shoes	6191		2825							
410-30	Alderman Bernard	6199 N. Lincoln Av	950	950	03/31/2004		\$750.00				\$750.00
410-30B	Democratic Club	6199 N. Lincoln av	950	950	03/31/2004		\$837.50				\$837.50
410-30A	Senator IRA	6199 N. Lincoln Av	950	950	06/30/2002		\$750.00				\$750.00
410-34	Vector Marketing	6199 N. Lincoln Av	680	680	04/30/2002		\$550.00				\$550.00
410-35	Dr Michael Berman	6199 N. Lincoln Av	300	300	12/31/2002		\$347.52				\$347.52
410-36	Dr. Michael Berman	6199 N. Lincoln Av	420	420	12/31/2002		\$396.55				\$396.55
410-37	Pennsylvania Life	6199 N. Lincoln Av	380	380	10/31/2002		\$475.00				\$475.00
410-38	Whiteco Metrocom	6199 N. Lincoln Av	0		01/31/2002						\$0.00
410-40	Lee's Pharmacy	6119 N. Lincoln Av	0				\$58.00				\$58.00
Bldg 3	Open	6059		2252							
	Open	6081		1692							
	Quiznos	6083		1200	Drafting	5 yrs					
	Open	6065		1200							
	Open	6087		1200							
	Open	6075		1501							
Bldg 2B	Open	6105		4000							
	Borders	6103		25000	lease starts 1	10 yrs					
Bldg 2A	GNC	6115		1038							
Bldg 4	5 Fifth Third Bank	6131		4016							
Common Area				1408							
Bldg to be demolished				17959							
Total including signed leases for new spaces				117737	141555		\$149,523.20	\$28,819.66	\$35,626.69	\$50.00	\$213,019.55
Net for leases that have commenced							\$82,522.66	\$21,474.66	\$25,267.94	\$50.00	\$139,315.26

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- 1 Part of this space will be combined with Dress Barn. Lease is out for signature
Balance of space will be leased by Payless Shoes. Lease is out for signature
- 2 Tenant will be out by April 15th. Space will be occupied by Joseph Shoes until new Borders space is constructed
- 3 Joseph Shoes will occupy about 900 square feet next to Borders
- 3 GNC Lease has been issued. Anticipate executed lease about April 15, 2002
- 4 New lease executed with Famous Footwear for Building # 5-9, 612 square feet
- 5 Currently negotiating buyout of Bank. Anticipate new pad location of about 5488 square feet to be occupied by Fifth Third Bank
- 6 Tenant will open in new space 6181, with 5528 square feet in April 15, 2002
- 7 Lease issued to Subway for 1131 square feet. Expect executed lease about April 15, 2002.

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EXHIBIT I

Approved Prior Expenditures

Land Acquisition	10,395.875
Hard Costs	249.035
Soft Costs	1,671.277
Lease Buyouts	267.987
Total	12,584,174

Exhibit J

Opinion of Developer's Counsel

[NOT ATTACHED FOR RECORDING PURPOSES]

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LINCOLN VILLAGE (LINCOLN AVENUE TIF)

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EXHIBIT K

YEAR	ASSESSED VALUE	ESTIMATED MULTIPLIER	EQUALIZED ASS. VALUE	BASE EAV	TAX RATE	TAXES PAID	INCREMENTAL TAXES
2002	\$4,992,858	2.2235	\$11,101,619	\$5,020,571	7.788%	\$864,594	\$0
2003	\$4,992,858	2.2235	\$11,101,619	\$5,020,571	7.788%	\$864,594	\$473,592
2004	\$4,992,858	2.2235	\$11,101,619	\$5,020,571	7.788%	\$864,594	\$473,592
2005	\$5,292,431	2.2235	\$11,767,720	\$5,020,571	7.788%	\$916,470	\$473,592
2006	\$5,292,431	2.2235	\$11,767,720	\$5,020,571	7.788%	\$916,470	\$525,468
2007	\$5,292,431	2.2235	\$11,767,720	\$5,020,571	7.788%	\$916,470	\$525,468
2008	\$5,609,976	2.2235	\$12,473,781	\$5,020,571	7.788%	\$971,458	\$525,468
2009	\$5,609,976	2.2235	\$12,473,781	\$5,020,571	7.788%	\$971,458	\$580,456
2010	\$5,609,976	2.2235	\$12,473,781	\$5,020,571	7.788%	\$971,458	\$580,456
2011	\$5,946,577	2.2235	\$13,222,215	\$5,020,571	7.788%	\$1,029,746	\$580,456
2012	\$5,946,577	2.2235	\$13,222,215	\$5,020,571	7.788%	\$1,029,746	\$638,744
2013	\$5,946,577	2.2235	\$13,222,215	\$5,020,571	7.788%	\$1,029,746	\$638,744
2014	\$6,303,373	2.2235	\$14,015,550	\$5,020,571	7.788%	\$1,091,531	\$638,744
2015	\$6,303,373	2.2235	\$14,015,550	\$5,020,571	7.788%	\$1,091,531	\$700,529
2016	\$6,303,373	2.2235	\$14,015,550	\$5,020,571	7.788%	\$1,091,531	\$700,529
2017	\$6,681,571	2.2235	\$14,856,472	\$5,020,571	7.788%	\$1,157,022	\$700,529
2018	\$6,681,571	2.2235	\$14,856,472	\$5,020,571	7.788%	\$1,157,022	\$766,020
2019	\$6,681,571	2.2235	\$14,856,472	\$5,020,571	7.788%	\$1,157,022	\$766,020
2020	\$7,082,469	2.2235	\$15,747,869	\$5,020,571	7.788%	\$1,226,444	\$766,020
2021	\$7,082,469	2.2235	\$15,747,869	\$5,020,571	7.788%	\$1,226,444	\$835,442
2022							\$835,442
							\$12,725,311

Exhibit L

Requisition Form

State of Illinois)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of
_____, a _____ (the
"Developer"), hereby certifies that with respect to that certain
_____ Redevelopment Agreement between the Developer
and the City of Chicago dated _____, _____ (the
"Agreement"):

A. Expenditures for the Project, in the total amount of
\$ _____, have been made:

B. This paragraph B sets forth and is a true and complete
statement of all costs of TIF-Funded Improvements for the Project
reimbursed by the City to date:

\$ _____

C. The Developer requests reimbursement for the following
cost of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in paragraph C above have
been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of
the date hereof:

1. Except as described in the attached certificate,
the representations and warranties contained in the Redevelopment
Agreement are true and correct and the Developer is in compliance
with all applicable covenants contained herein.

2. No event of Default or condition or event which,
with the giving of notice or passage of time or both, would
constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein has the
meanings given such terms in the Agreement.

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[Developer]

By: _____
Name
Title: _____

Subscribed and sworn before me this ____ day of _____
_____.

My commission expires: _____

Agreed and accepted:

Name
Title: _____
City of Chicago
Department of Planning and Development

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Exhibit M

Form of Note

[NOT ATTACHED FOR RECORDING PURPOSES]

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Exhibit N

PROPORTIONATE SHARE EXAMPLES

- Assume, for a given year, that the TIF area generates \$100 of Incremental Taxes. The City has issued a Bank Note and the scheduled principal and interest payment under the note for that year is \$25. The City has reached arrangements with two developers in the TIF area, and has pledged to BGP Lincoln Village, L.L.C. ("Developer 1") 100% of the Incremental Taxes it generates and to the other developer ("Developer 2") 90% of the Incremental Taxes it generates. Developer 1 has generated \$40 of increment that year, while Developer 2 has generated \$50.

The amounts payable to Developer 1 and Developer 2 would be calculated as follows:

Available Incremental Taxes would be equal to \$75, which is \$100, less the scheduled payment on the Bank Note (\$25)

The Developer Incremental Taxes for each Developer (or the amounts to be paid to each Developer, based solely on what they generate in increment), is \$40 to Developer 1 and \$45 to Developer 2 (90% of \$50), for a total of \$85. There is a shortfall, so the Proportionate Share of each Developer must be calculated.

Proportionate Share (Developer 1): \$40 divided by \$85, which equals 47%, multiplied by \$75, equals \$35.25.

Proportionate Share (Developer 2): \$45 divided by \$85, which equals 53%, multiplied by \$75 equals \$39.75.

Neither Developer would have the right to have the shortfall made up as a priority payment in any subsequent year.

- Same facts as in item 1, but if the Incremental Taxes for the TIF Area equaled \$130 for that year, the amount paid would have been as follows:

Payment on Bank Note:	\$ 25
Remainder:	\$ 105

Since this amount exceeds the totals pledged to Developer 1 and Developer 2 (\$85), there is no shortfall, and each developer will received the entire amount pledged to it. Neither would have any claim to the excess Incremental Taxes.