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Doc#: 1232539117 Fee: \$216.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/20/2012 04:40 PM Pg: 1 of 90

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

RAVENSWOOD STATION, LLC REDEVELOPMENT AGREEMENT

This Ravenswood Station, LLC Redevelopment Agreement (this "Agreement") is made as of this 19th day of November, 2012, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and Ravenswood Station, LLC, 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 "City Council") adopted the following ordinances on January 12, 2000, and May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western Avenue North Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2)

"An Ordinance of the City of Chicago, Illinois Designating the Western Avenue North Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Western Avenue North Redevelopment Project Area" (the "TIF Adoption Ordinance"); and (4) an ordinance amending the Redevelopment Plan, as hereinafter defined (items(1)-(4) 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:** Developer has purchased (the "Acquisition") certain property located within the Redevelopment Area at 1800-1824 West Lawrence Avenue, Chicago, Illinois 60640 and legally described on **Exhibit B** hereto (the "Property"), and, within the time frames set forth in **Section 3.01** hereof, shall commence and complete construction of an approximately 132,000 square foot retail shopping center (the "Facility") thereon. The Developer has entered into leases with Mariano's Fresh Market for an 87,000 square foot grocery store, L.A. Fitness Center for a 35,000 square foot fitness center, and Sears Tire and Auto Store for a 10,000 square foot store. The Facility will also include 357 parking spaces. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. **Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the Western Avenue North Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project, as amended (the "Redevelopment Plan") published at 31614 - 31706 of the Journal of the Proceedings of the City Council.

F. **City Financing:** The City agrees to use, in the amounts set forth in **Section 4.03** hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this.

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(b)** 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 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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	C *TIF-Funded Improvements
4. Financing	D [intentionally omitted]
5. Conditions Precedent	E Construction Contract
6. Agreements with Contractors	F-1 Form of Guaranty
7. Completion of Construction or Rehabilitation	F-2 Form of Guaranty
8. Covenants/Representations/Warranties of Developer	G *Permitted Liens
9. Covenants/Representations/Warranties of the City	H-1 *Project Budget
10. Developer's Employment Obligations	H-2 *MBE/WBE Budget
11. Environmental Matters	I Approved Prior Expenditures
12. Insurance	J Opinion of Developer's Counsel
13. Indemnification	K *Preliminary TIF Projection -- Real Estate Taxes
14. Maintaining Records/Right to Inspect	L Requisition Form
15. Defaults and Remedies	M Prohibited Uses
16. Mortgaging of the Project	N Form of Subordination Agreement
17. Notice	O Form of Payment Bond
18. Miscellaneous	P Affidavit of Architect for LEED Certification
	Q *Form of Junior Mortgage
	(An asterisk (*) indicates which exhibits are to be recorded.)

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 the Recitals hereof.

“Acquisition” shall have the meaning set forth in the Recitals hereof.

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

“Annual Compliance Report” shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the jobs reporting requirement described in **Section 8.06(b)**; (2) compliance with the Minimum Occupancy Covenant (**Section 8.06**); (3) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (4) delivery of updated insurance certificates, if applicable (**Section**

8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); (6) delivery of evidence that LEED Certification has been obtained (**Section 8.23**) and (7) compliance with all other executory provisions of the RDA.

“Available Incremental Taxes” shall mean, for each payment, an amount equal to the Incremental Taxes on deposit in the TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the financing or payment of Redevelopment Project Costs, after deducting (i) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, (ii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged to MSAC/Mather and the Chicago Public Schools, and/or any of their respective Affiliates, and (iii) debt service payments with respect to the Bonds, if any.

“Available Project Funds” shall have the meaning set forth for such term in Section 4.07 hereof.

“Bond(s)” shall have the meaning set forth for such term in Section 8.05 hereof.

“Bond Ordinance” shall mean the City ordinance authorizing the issuance of Bonds.

“Business Relationship” shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code.

“Certificate” shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

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

“City Contract” shall have the meaning set forth in Section 8.01(l) hereof.

“City Council” shall have the meaning set forth in the Recitals hereof.

“City Funds” shall mean the funds described in Section 4.03(b) hereof.

“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.

“Compliance Period” shall mean the period beginning on the date the Certificate is issued and ending on the 10th anniversary of the date the Certificate is issued.

“Contract” shall have the meaning set forth in Section 10.03 hereof.

“Contractor” shall have the meaning set forth in Section 10.03 hereof.

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

“Corporation Counsel” shall mean the City's Department of Law.

“EDS” shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

“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.

“Equity” shall mean funds of 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 Section 4.03(b).

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement, if one is required by the Developer's lender(s), establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s).

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

“Facility” shall have the meaning set forth in the Recitals hereof.

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

“Guaranty” shall mean the individual Guaranties dated of the date hereof made by Timothy W. Barrett and Eugene J. Porto in favor of the City in the forms attached as Exhibit F-1 and Exhibit F-2, respectively.

“General Contractor” shall mean (a) Leopardo Companies, Inc., which was selected pursuant to Section 6.01, or (b) such other general contractor(s) hired by 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.

“Human Rights Ordinance” shall have the meaning set forth in **Section 10** hereof.

“In Balance” shall have the meaning set forth in **Section 4.07** hereof.

“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 Western Avenue North Redevelopment Project Area Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

“Incremental Taxes From a New Project” shall mean (a) individually, Incremental Taxes generated by the equalized assessed value (“**EAV**”) of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes From a New Project for all New Projects, if there are multiple New Projects.

“Indemnitee” and **“Indemnitees”** shall have the meanings set forth in **Section 13.01** hereof.

“Junior Mortgage” shall mean a Junior Mortgage that secures the Guaranty amount substantially in the form of **Exhibit Q**, with such changes as may be approved by HED and Corporation Counsel, executed by the Developer as mortgagor, in favor of the City, as mortgagee, securing certain of the Developer’s obligations under this Agreement and the Junior Mortgage; and which shall be a second mortgage unless the Lender Financing includes two or more separate mortgage loans, in which event the Junior Mortgage shall be subordinate to all such mortgage loans.

“LEED Certification” shall mean a basic Certification of the Project under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council and applicable to commercial interiors.

“Lender Financing” shall mean funds borrowed by Developer from lenders (collectively, the “**Lender**”) and irrevocably available to pay for Costs of the Project, in the amount set forth in **Section 4.01** hereof.

“MBE(s)” shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

“MBE/WBE Budget” shall mean the budget attached hereto as **Exhibit H-2**, as described in **Section 10.03**.

“MBE/WBE Program” shall have the meaning set forth in **Section 10.03** hereof.

“Minimum Occupancy” shall mean the occupancy of 85% of the net leasable area of the Project.

“Minimum Occupancy Covenant” shall have the meaning set forth in **Section 8.06(a)** hereof.

“Municipal Code” shall mean the Municipal Code of the City of Chicago, as amended from time to time.

“New Mortgage” shall have the meaning set forth in **Article 16** hereof.

“New Project” shall mean a development project (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that “New Project” shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

“Permitted Liens” shall mean those liens and encumbrances against the Property and/or the Project set forth on **Exhibit G** hereto.

“Permitted Mortgage” shall have the meaning set forth in **Article 16** hereof.

“Planned Development” shall mean the Business Planned Development Number 1203.

“Plans and Specifications” shall mean [final][initial] 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.

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

“Project” shall have the meaning set forth in the Recitals hereof.

“Project Budget” shall mean the budget attached hereto as **Exhibit H-1**, showing the total cost of the Project by line item, furnished by Developer to HED, in accordance with **Section 3.03** hereof.

“Property” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Area” shall have the meaning set forth in the Recitals hereof.

“Redevelopment Plan” shall have the meaning set forth in the Recitals hereof.

“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.

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

“Survey” shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for

ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 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 of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2024).

“TIF Adoption Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bonds” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Ordinance” shall have the meaning set forth in the Recitals hereof.

“TIF Bond Proceeds” shall have the meaning set forth in the Recitals hereof.

“TIF Fund” shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

“TIF-Funded Improvements” shall mean those improvements of the Project 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 the Recitals hereof.

“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 Developer as the insured, noting the recording of this Agreement and the Junior Mortgage 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 Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof: (i) commence construction no later than January 30, 2013; and (ii) complete construction and conduct business operations therein no later than November 1, 2013.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to HED and HED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED 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. 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. Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an amount not less than \$42,001,730. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in **Section 4.02** hereof, shall be sufficient to complete the Project 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. Developer shall promptly deliver to HED 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 in this **Section 3.04**, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to HED 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 Developer to HED for HED's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Developer Space to a use other than as described in **Recital D** to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. 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 Developer of HED's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). 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 Developer. Notwithstanding anything to the contrary in this **Section 3.04**, Change Orders other than those set forth above do not require HED's prior written approval as set forth in this **Section 3.04**, but HED shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to HED the source of funding therefor.

3.05 HED Approval. Any approval granted by HED 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 HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any HED approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of **Section 5.03** (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to HED'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.

3.07 Progress Reports and Survey Updates. Developer shall provide HED with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with a delay in the completion of the Project by 180 days being considered a Change Order, requiring HED's written approval pursuant to **Section 3.04**). Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by HED shall be selected to act as the inspecting agent or architect, at 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 HED, prior to requests for disbursement for costs related to the Project.

3.09 Barricades. Prior to commencing any construction requiring barricades, 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. HED 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. 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 Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. 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 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, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$42,001,730, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	\$ 6,539,855
Lender Financing	\$ 32,461,875
ESTIMATED TOTAL	\$ 42,001,730

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse 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 **Sections 4.03(b) and 4.05(d)**), contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 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 Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	\$4,500,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$4,500,000 or the lesser amount of City Funds calculated as described in the following clause; provided further, in the event that the Final Project Cost, as hereinafter defined, is less than \$40,001,730, the total amount of City Funds shall be reduced by \$0.50 for every \$1.00 (or portion thereof) by which the Final Project Cost is less than \$40,001,730; and provided further, that the \$4,500,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as (i) the amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs, and Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$4,500,000 is contingent upon the fulfillment of the condition set forth in part (i) above. In the event that such condition is not fulfilled, the amount of Equity to be contributed by Developer pursuant to **Section 4.01** hereof shall increase proportionately.

4.04 Requisition Form. Conditioned upon the issuance of the Certificate pursuant to **Section 7** hereof, on the Closing Date and prior to each October 1 (or such other date as the parties may agree to) thereafter, beginning in 2013 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement,

Developer shall provide HED with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by HED). On each December 1 (or such other date as may be acceptable to the parties), beginning in 2013 and continuing throughout the Term of the Agreement, Developer shall meet with HED at the request of HED to discuss the Requisition Form(s) previously delivered. **Upon the written request by the Developer accompanying a requisition for reimbursement of TIF-Funded Improvements, the City agrees to make payments of City Funds then owing to the Developer directly to the lender providing Lender Financing using wire transfer instructions provided by the Developer.**

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). HED 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 HED as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by Developer pursuant to Section 4.01 hereof.

(b) intentionally omitted

(c) intentionally omitted

(d) 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 HED, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of HED.

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, 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 Fund hereunder, Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by Developer to HED of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

(e) 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;

(f) 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; and

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds, as hereinafter defined, equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity and (iii) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 Developer. In addition, 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 Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, and this 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 **Section 15.02** 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. Developer has submitted to HED, and HED has approved, a Project Budget in accordance with the provisions of **Section 3.03** hereof.

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

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to HED.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that 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, Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other sources set forth in **Section 4.01**) to complete the Project. Developer has delivered to HED a copy of the construction Escrow Agreement entered into by Developer regarding the Lender Financing. 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 Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with copies of the Title Policies for the Property, certified by the Title Company, showing (i) Developer as the named insured and (ii) the lender 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 G** 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. Developer has provided to HED, 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 HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

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

5.08 Insurance. 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 HED.

5.09 Opinion of Developer's Counsel. On the Closing Date, 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 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 Developer from its general corporate counsel.

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

5.11 Financial Statements. Developer has provided Financial Statements to HED for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation; Employment Plan. The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in **Section 8.07**. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of HED to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to HED, and HED has approved, the Employment Plan for the Project (the "**Employment Plan**"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as HED has requested relating to the Project.

5.13 Environmental. Developer has provided HED with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement of the limited liability company; and such other documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this **Section 5.14** to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and HED, a description of all pending or threatened litigation or administrative proceedings involving Developer, 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 Junior Mortgage. The Developer shall have delivered to the City the Junior Mortgage and such financing statements as the City may require.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Developer represents that prior to entering into an agreement with the General Contractor or any subcontractor for construction of the Project, Developer has solicited, or has caused the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to HED for its inspection. (i) For the TIF-Funded Improvements, Developer has selected the General Contractor (or has caused the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selected a General Contractor (or the General Contractor selected 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 Developer selected a General Contractor (or the General Contractor selected any subcontractor) who did not submit 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 of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer has submitted copies of the Construction Contract to HED in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements have been or shall be provided to HED within five (5) business days of the execution thereof. Developer represents that the General Contractor has not (and has caused the General Contractor to ensure that the subcontractors have not) begun work on the Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

(b) If the Developer did 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, Developer shall deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for HED's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to HED 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, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit Q hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. 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 HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon Developer's written request, which shall include a final Project budget detailing the total actual cost of construction of the Project (the "**Final Project Cost**"), HED shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. The Developer acknowledges and understands that the City will not issue a Certificate of Completion (the "Certificate") and pay out City Funds, until the following conditions have been met:

- (a) Developer has completed construction of the Project according to the Plans and Specifications;
- (b) The Final Project Cost incurred by the Developer is at least \$40,001,730; provided, however, that in the event that the Final Project Cost is less than \$40,001,730, the total amount of City Funds shall be reduced by \$.50 for every \$1.00 (or portion thereof) by which the Final Project Cost is less than \$40,001,730, as described in **Section 4.03(b)**;
- (c) Receipt of a Certificate of Occupancy or other evidence acceptable to HED that the Developer has complied with building permit requirements for the Project;
- (d) At least 85% of the net rentable area has been leased and is occupied;
- (e) Evidence of the Project meeting or exceeding MBE/WBE, Prevailing Wage, and City Residency requirements;
- (f) The Developer has provided an affidavit from its project architect certifying that the Facility would likely achieve the minimum points required for LEED Certification; provided, however, that if Developer fails to provide such affidavit the City shall still issue the Certificate, but the total amount of City Funds shall be reduced by \$250,000;
- (g) The Developer has satisfied the City's environmental requirements for projects receiving tax increment financing assistance under the City's sustainable development policy, also known as "Green Matrix," in effect as of the date of this Agreement;

- (h) Evidence that the Developer has incurred TIF-eligible costs in an equal amount to, or greater than, \$4,500,000 TIF-eligible costs include land assembly, demolition, site preparation, environmental remediation, rehabilitation, and other eligible activities under the Act; and
- (i) There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

HED shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a 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 Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, 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 as to the parties described in the following paragraph, and the issuance of the Certificate 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** 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 notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

(a) the right to terminate this Agreement and any other related agreements to which the City and Developer are or shall be parties, cease all disbursement of City Funds not yet disbursed pursuant hereto, and/or make a demand under the Guaranty;

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

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

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, HED shall provide Developer, at 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 DEVELOPER.

8.01 General. 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) Developer is an Illinois limited liability company duly organized, validly existing, qualified to do business and 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) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to **Section 8.15** hereof)

(e) Developer is now and for the Term of the Agreement 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 Developer which would impair its ability to perform under this Agreement;

(g) 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) 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 Developer is a party or by which 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 Developer, and there has been no material adverse change in

the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

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

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of HED, 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; 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 Developer in violation of Chapter 2-156-120 of the Municipal Code; and

(m) neither Developer nor any affiliate of Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 Covenant to Redevelop. Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Planned Development and Redevelopment Plan, which are hereby incorporated by reference into this Agreement.

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the 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 TIF-Funded Improvements (the "**Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation and Retention; Minimum Occupancy Covenant. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

(a) Minimum Occupancy Covenant. Upon the issuance of the Certificate, the Developer shall maintain Minimum Occupancy for the Compliance Period. Developer shall deliver an occupancy progress report detailing compliance with the requirement (the "**Minimum Occupancy Covenant**") to maintain a Minimum Occupancy (the "**Occupancy Report**") for the period beginning on January 1st of the preceding year to December 31st of the current year, such request to be submitted each year, through the 10th anniversary of the issuance of the Certificate. The Developer (i) shall cause the Property to be used as a retail shopping center, as permitted pursuant to the Redevelopment Plan, the Planned Development, if any, and this Agreement; (ii) shall lease to tenants whose operations shall not include any Prohibited Uses as set forth in Exhibit M, without the consent of the Commissioner, and (iii) shall not include any restriction upon the use and operation of the Property and the Project, other than restrictions relating to Prohibited Uses, in any contract of sale or deed (or similar instrument) of conveyance. Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of this Agreement shall control. The Developer hereby covenants and agrees to maintain Minimum Occupancy for a minimum of 10 years after the issuance of the Certificate. A default under the Minimum Occupancy Covenant shall constitute an Event of Default without notice.

(b) The Developer anticipates that the Project will result in the creation of (i) approximately 200 full-time equivalent, construction jobs at the Project during the construction thereof (collectively, the "**Construction Jobs**") and (ii) approximately 250 full-time equivalent, permanent jobs at the Project at the completion thereof to be retained or created at the Facility through the Term of the Agreement (the "**Permanent Jobs**"). Throughout the Term of the Agreement, the Developer shall submit certified employment reports disclosing the number of Construction Jobs and Permanent Jobs at the Project to HED as a part of the Developer's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, (a) the failure to create the specified number of Construction Jobs and Permanent Jobs shall not constitute an Event of Default, and (b) the failure to submit certified

employment reports evidencing the number of Permanent Jobs created shall not constitute an Event of Default if the Developer provides evidence satisfactory to HED of the Developer's best efforts to obtain such reports from tenants of the Project.

8.07 Employment Opportunity; Progress Reports. 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 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 when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to HED which shall outline, to HED's satisfaction, the manner in which Developer shall correct any shortfall.

8.08 Employment Profile. Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED's request.

8.09 Prevailing Wage. 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this **Section 8.09**.

8.10 Arms-Length Transactions. Unless HED has given its prior written consent with respect thereto, no Affiliate of 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, except for the Developer's payment to Sears Holdings Corporation, or an affiliate thereof, as consideration for the acquisition of the Property as described in that certain Operating Agreement of Developer by and among Chitown-EB/EP JV LLC, Ravenswood 1010, LLC and SRDG Ravenswood, LLC dated February 29, 2012. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon HED's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 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 Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to HED Financial Statements for Developer's fiscal year ended 2012 and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as HED may request.

8.14 Insurance. 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, Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, 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. Developer shall furnish to HED, within thirty (30) days of HED's request, official receipts from the appropriate entity, or other proof satisfactory to HED, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. 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 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 HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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. 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 Developer to any other person or entity. Developer shall immediately notify HED of any and all events or actions which may materially affect 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 Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. 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. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, 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. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon 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 Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in **Section 8.19(c)** below; provided, that such real estate taxes must be paid in full when due. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to HED of Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option,

(i) Developer shall demonstrate to HED's satisfaction that legal proceedings instituted by 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) Developer shall furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise HED thereof in writing, at which time HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED by 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 Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("**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 Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to 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 Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding

upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. 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 Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this **Section 8.19(c)**.

8.20 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this **Section 8** and elsewhere in this Agreement shall be true, accurate and complete at the time of 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.

8.21 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.22 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.23 LEED Certification. Developer shall comply with all applicable green roof, LEED certification, energy star or comparable requirements for projects receiving tax increment financing assistance under the City's Green Matrix in effect as of the date of this Agreement. Prior to issuance of the Certificate, the Developer shall provide an affidavit from its project architect certifying that the Facility would likely achieve the minimum points required for LEED Certification. The affidavit shall be in substantially in the form attached hereto as **Exhibit P**. Within one year after the Certificate is issued, the Developer shall provide evidence acceptable to the City that LEED Certification has been obtained.

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. 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 Developer operating on the Property (collectively, with Developer, the "**Employers**" and individually an "**Employer**") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(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 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. 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 (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, 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.

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 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.

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 HED 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.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. 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 HED, affidavits and other supporting documentation will be required of 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 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 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 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether 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.

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. MBE/WBE Commitment. 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, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "**Construction Program**," and collectively with the Procurement Program, the "**MBE/WBE Program**"), 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 (as set forth in **Exhibit H-2** hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this **Section 10.03** only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by 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 Developer utilizing a MBE or a WBE as the 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 or services 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 Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) Developer shall deliver quarterly reports to the City's monitoring staff 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 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 the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by Developer, on five Business Days' notice, to allow the City to review 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, 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 Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this **Section 10.03** shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this **Section 10.03**. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this **Section 10.03**, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this **Section 10.03** to the City's monitoring staff, 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; and (viii) evidence of

compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this **Section 10.03**, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, (3) exercise all remedies available under the Junior Mortgage, or (4) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to the City that 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, the Bond Ordinance and the Redevelopment Plan.

Without limiting any other provisions hereof, 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 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 Developer, or any person directly or indirectly controlling, controlled by or under common control with 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 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 Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must 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.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the 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 basis.

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have 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) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(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 must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

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

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

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

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

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

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

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

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 Indemnitees

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) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

(iv) 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. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by 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. 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 Developer hereunder:

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

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

(c) the making or furnishing by 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 judgment or order against 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;

(i) the dissolution of Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor);

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

(m) the Developer has not delivered evidence satisfactory to the City of LEED Certification within the time period specified in **Section 8.23**.

For purposes of **Sections 15.01(i)** and **15.01(j)** hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, seek reimbursement of any City Funds paid, and/or seek reimbursement through a demand under the Guaranty. 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 damages, foreclosure of the Junior Mortgage, injunctive relief or the specific performance of the agreements contained herein or under the Junior Mortgage. Upon the occurrence of an Event of Default under **Section 8.06**, Developer shall be obligated to repay to the City all previously disbursed City Funds. In addition to other instances set forth in this Agreement, the City may make a demand under the Guaranty if Developer defaults under the Minimum Occupancy Covenant as set forth in **Section 8.06**.

Upon the occurrence of an Event of Default because of failure to comply with **Section 8.23, LEED Certification**, the City's remedy shall be the right to seek reimbursement of \$250,000 in City Funds by making a demand on the Guaranty. Notwithstanding the foregoing, if the City Funds paid upon Certificate issuance were reduced by \$250,000 due to anticipated failure to achieve LEED Certification as described in **Section 4.03(b)**, then the City shall not have the right to seek reimbursement of an additional \$250,000 by making a demand on the Guaranty pursuant to the immediately preceding sentence.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which 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 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 Developer shall fail to perform a non-monetary covenant which 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 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, 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.

Notwithstanding any other provision of this Agreement to the contrary, there shall be no notice requirement or cure period with respect to Events of Default described in **Section 15.01(m)** (with respect to LEED Certification).

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 G** 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 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 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 is referred to herein as a "**Permitted Mortgage**." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to 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 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 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 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 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 Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of 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 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 HED. After issuance of the Certificate, if a mortgagee or other permitted transferee executes a subordination agreement in which it subordinates its New Mortgage to the covenants contained in **Section 8.02**, **Section 8.06**, and **Section 8.19** of this agreement, then City consent is not required for the New Mortgage.

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.

<p>If to the City:</p> <p>City of Chicago Department of Housing and Economic Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>Ravenswood Station, LLC c/o Barrett & Porto Real Estate, LLC 221 West Illinois Street Wheaton, Illinois 60187 Attention: Tim Barrett and Gene Porto</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>DLA Piper LLP (US) 203 North LaSalle Street, Suite 1900 Chicago, Illinois 60601-1293 Attention: Paul Shadle</p>

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 the Redevelopment Plan 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 or job-creating obligations of Developer (including those set forth in **Sections 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, or both, or increases any time agreed for performance by Developer by more than ninety (90) days. It is acknowledged that as the City has agreed to extend by 90 days (to January 30, 2013) the deadline to commence construction described in **Section 3.01**, any further extension of time to commence construction would require City Council approval.

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 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 Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. 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 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 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 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.

18.09 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.

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

18.11 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.

18.12 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.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided that the City hereby consents to the Developer's assignment, on a collateral basis, of the Developer's rights under this Agreement, including without limitation the right to receive City Funds, to the lender providing Lender Financing. **Upon the written request by the Developer accompanying a requisition for reimbursement of TIF-Funded Improvements, the City agrees to make payments of City Funds then owing to the Developer directly to the lender providing Lender Financing using wire transfer instructions provided by the Developer.** Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Sections 8.19** Real Estate Provisions and **8.23** (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of 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.

18.16 Force Majeure. Neither the City nor 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.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agrees 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.

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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), 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), 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. 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.

18.21 Subordination Agreement. Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its Junior Mortgage to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

18.22 Release of Junior Mortgage. At any time after the Compliance Period, the City, following a request by the Developer, agrees to execute and consent to the recording of a release, in form and substance satisfactory to the City in its reasonable discretion, of the Junior Mortgage.

[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.


RAVENSWOOD STATION, LLC, an Illinois limited liability company

By: Chitown-EB/EP JV, LLC, a Delaware limited liability company

Its: Managing Member

By: _____
Timothy W. Barrett, a Manager

CITY OF CHICAGO

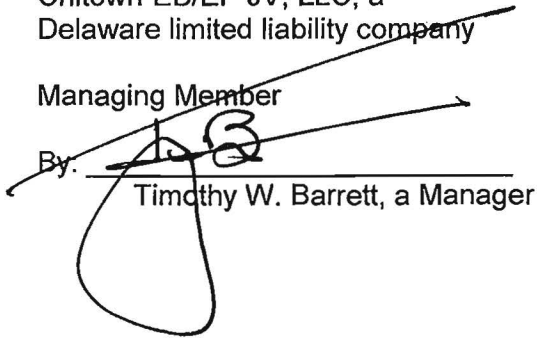
By:  _____
Andrew J. Mooney,
Commissioner
Department of Housing and Economic Development

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.

RAVENSWOOD STATION, LLC, an Illinois limited liability company

By: Chitown-EB/EP JV, LLC, a Delaware limited liability company

Its: Managing Member

By:  Timothy W. Barrett, a Manager

CITY OF CHICAGO

By: _____
Andrew J. Mooney,
Commissioner
Department of Housing and Economic Development

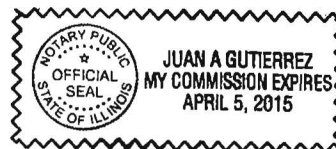
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Juan Gutierrez, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic 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 he signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his 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 19 th day of November, 2012.

Juan Gutierrez
Notary Public

My Commission Expires 4/5/15



STATE OF ILLINOIS)
 Lake) SS
COUNTY OF ~~COOK~~)

I, Christina B. Hansen, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Timothy W. Barrett, personally known to me to be the Manager of Chitown-EB/EP JV, LLC, a Delaware limited liability company and the managing member ("Chitown Member") of Ravenswood Station, LLC, 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 signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Chitown Member and the Developer, as his free and voluntary act and as the free and voluntary act of the Chitown Member and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 16th day of November, 2012.

Christina B. Hansen
Notary Public

My Commission Expires 10-29-2015

(SEAL)

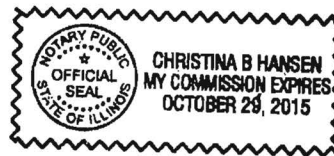


EXHIBIT A
REDEVELOPMENT AREA

See Attached.

Appendix 1.

(To Amendment Number 1 To Western Avenue North Redevelopment
Project Area Tax Increment Financing District Eligibility
Study, Redevelopment Plan And Project)

Legal Description For Western Avenue North R.P.A.

That part of the east half of the southwest quarter and the east half of Section 12 and the east half of the northwest quarter and the northeast quarter of Section 13, Township 40 North, Range 13 East of the Third Principal Meridian and that part of the west half of the northwest quarter and the south half of Section 7 and the west half of the southwest quarter of Section 8 and the west half of the northwest quarter of Section 17 and the north half of Section 18, Township 40 North, Range 14 East of the Third Principal Meridian, all in the City of Chicago, Cook County, Illinois, described as follows:

beginning at the intersection of the south right-of-way line of Foster Avenue with the east right-of-way line of Lincoln Avenue; thence east along said south right-of-way line to the west line of the east 110 feet of Lots 1 and 2 in Bowmanville's Subdivision; thence south along said west line and its south extension to the south line of a public alley adjoining said Lot 2; thence west along said south alley line to the east line of a public alley adjoining Lots 31 through 36 in Vollner's Subdivision; thence south along said east alley line to the north right-of-way line of Winona Street; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 1 through 9 in Richard Rusk's Subdivision; thence south along said extension and said east alley line to the north right-of-way line of Carmen Avenue; thence southeast to the intersection of the south right-of-way line of said Carmen Avenue with the easterly line of a public alley adjoining Lots 61 through 73 in said Richard Rusk's Subdivision; thence southerly and southeast along said easterly alley line to the north right-of-way line of Winnemac Avenue; thence east along said north right-of-way line to the northwest extension of the northeasterly line of a public alley adjoining Lots 1 through 9 in Schupp's Subdivision; thence southeasterly along said extension and said northeasterly alley line to the north line of a public alley adjoining Lots 10 through 14 in said Schupp's Subdivision and Lots 1 through 7 in Peter Bartzen's Subdivision; thence east along said north alley line to the east line of Lot 4 in said Peter Bartzen's Subdivision; thence north along said east line to the south right-of-way line of Winnemac Avenue; thence west along said south right-of-way line to the south extension of the west line of a public alley adjoining Lots 1 through 4 in Bartzen's Resubdivision and Lots 1 through 8 in the subdivision of Lots 9 and 10 in Bowmanville's Subdivision; thence north along said extension and said west alley line to the south right-of-

way line of Carmen Avenue; thence north to the intersection of the north right-of-way line of said Carmen Avenue with the west line of a public alley adjoining Lots 30 through 36 in Richard Rusk's Subdivision and Fredrick W. Drake's Resubdivision of Lots 28 and 29 in said Richard Rusk's Subdivision; thence north along said west alley line to the south right-of-way line of Winona Street; thence west along said south right-of-way line to the south extension of the west line of a public alley adjoining Lots 1 through 11 in Vollner's Subdivision; thence north along said extension and said west alley line to the south right-of-way line of Foster Avenue; thence east along said south right-of-way line to the east line of a public alley adjoining Lots 1 through 8 in Block 1 of Portman's Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Winona Street; thence south to the intersection of the south right-of-way line of said Winona Street with the east line of a public alley adjoining Lots 3 through 21 and Lot 26 in Block 3 of said Portman's Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Winnemac Avenue; thence south to the intersection of the south right-of-way line of said Winnemac Avenue with the east line of a public alley adjoining Lots 7 through 14 in Peter Schmitz's Western Avenue Addition to Ravenswood; thence south along said east alley line to the north right-of-way line of Argyle Street; thence south to the intersection of the south right-of-way line of said Argyle Street with the east line of a public alley adjoining Lots 1 through 3 in Peter Bartzen's Subdivision, Lots 1 through 5 in Helena Klein's Addition to Chicago and Lots 1 through 4 in Peter Bartzen's Addition to Chicago; thence south along said east alley line to the east extension of the south line of said Lot 4 in said Peter Bartzen's Addition to Chicago; thence west along said extension and said south line to the east right-of-way line of Western Avenue; thence south along said east right-of-way line to the north right-of-way line of Ainslie Street; thence east along said north line of Ainslie Street to the north extension of the east line of a public alley adjoining Lots 5 through 8 in John Bauer's Subdivision and Lots 10 through 19 in Block 2 of Lenz and Hoefles' Subdivision; thence south along said extension and said east alley line to the south line of said Block 2; thence east along said south line and its east extension to the east right-of-way line of Claremont Avenue; thence south along said east line to the north line of a public alley adjoining Lots 13 through 22 in F. Schaedler's Subdivision; thence east along said north alley line to the west right-of-way line of Oakley Avenue; thence east to the intersection of the east right-of-way line of said Oakley Avenue with the north line of a public alley adjoining Lots 1 through 4 in a subdivision of Lot 19 in Sam Brown, Jr.'s Subdivision of Lot 3 and Lots 45 through 49 in John R. Williams' Subdivision; thence east along said north alley line to the west right-of-way line of Bell Avenue; thence east to the intersection of the east right-of-way line of said Bell Avenue with the north line of a public alley adjoining Lots 50 through 59 in said John R. Williams' Subdivision; thence east along said north alley line to the west right-of-way line of Leavitt Street; thence east to the intersection of the east right-of-way line of said Leavitt Street with the north line of a public alley adjoining Lots 90 through 99 in Road's

Subdivision; thence east along said north alley line to the west right-of-way line of Hamilton Avenue; thence east to the intersection of the east right-of-way line of said Hamilton Avenue with the north line of a public alley adjoining Lots 1 through 5 in said Road's Subdivision; thence east along said north alley line to the east line of a public alley adjoining Lots 6 through 23 in said Road's Subdivision; thence south along said east alley line to the north line of the south 133 feet of Lot 2 in Marbach and Other's Subdivision; thence east along said north line to the west line of Lot 1 in said Marbach and Other's Subdivision; thence south along said west line to the north line of the south 125 feet of said Lot 1; thence east along said north line and its east extension to the east right-of-way line of Hoyne Avenue; thence south along said east right-of-way line to the north line of Lot 24 in Block 3 of Culver Park Subdivision; thence east along said north line to the west line of a public alley adjoining said lot; thence east to the northwest corner of Lot 23 in said Block 3; thence east along the north line of said Lot 23 to the west right-of-way line of Seeley Avenue; thence north along said west right-of-way line to the west extension of the north line of Lot 25 in Block 2 of said Culver Park Subdivision; thence east along said extension and said north line to the west line of a public alley adjoining Lots 1 through 23 in said Block 2; thence north along said west alley line to the south right-of-way line of Ainslie Street; thence north to the intersection of the north right-of-way line of said Ainslie Street with the west line of a public alley adjoining Lots 1 through 23 in Block 1 of said Culver Park Subdivision; thence north along said west alley line to the south right-of-way line of Argyle Street; thence west along said south right-of-way line to the west right-of-way line of Leavitt Street; thence north along said west right-of-way line to the north right-of-way line of Foster Avenue; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 2, 3, 6, 7, 10 and 11 in Clybourne's Addition to Ravenswood; thence south along said extension and said east alley line to the east extension of the south line of said Lot 11; thence west along said extension and said south line to the east right-of-way line of Damen Avenue; thence south along said east right-of-way line to the north right-of-way line of Argyle Street; thence east along said north right-of-way line to the north extension of the east line of a public alley adjoining Lots 19 through 36 in Block 3 of Ravenswood Avenue; thence south along said extension and said east alley line to the north right-of-way line of Ainslie Street; thence south to the intersection of the south right-of-way line of said Ainslie Street with the east line of a public alley adjoining Lots 21 through 34 in Block 4 of said Ravenswood Avenue; thence south along said east alley line to the north line of a public alley adjoining Lots 15 through 20 in said Block 4; thence east along said north alley line to the west right-of-way line of Winchester Avenue; thence east to the intersection of the east right-of-way line of said Winchester Avenue with the north line of a vacated public alley adjoining Lots 15 through 20 in Block 5 of said Ravenswood Avenue; thence east along said north vacated alley line to the west line of a vacated public alley adjoining Lots 12 through 14 and Lots 21 through 23 in said Block 5; thence north along said west vacated alley line to the

northeast corner of said Lot 23; thence east to the northwest corner of said Lot 12; thence south along the east line of the said vacated public alley to a point 15 feet north from the southwest corner of said Lot 14; thence southeast to the north line of said vacated public alley adjoining Lots 15 through 20 in Block 5, 10 feet east from said southwest corner of Lot 14; thence east along said north vacated alley line and its east extension to the east right-of-way line of Wolcott Avenue; thence south along said east right-of-way line to the north line of Lot 6 in Plotke and Grosby's Subdivision; thence east along said north line to the west line of a public alley adjoining Lot 7 in said Plotke and Grosby's Subdivision; thence north along said west alley line and its north extension to the south line of Lot 6 in Emil G. Skoglund's Lincoln Argyle Subdivision; thence east along said south line to the west line of a public alley adjoining Lots 1 through 6 in said Emil G. Skoglund's Lincoln Argyle Subdivision; thence north along said west alley line and its north extension to the north right-of-way line of Argyle Street; thence east along said north right-of-way line and its east extension to the east right-of-way line of Ravenswood Avenue; thence south along said east right-of-way line to the north line of Lot 20 in Block 4 of Keeney's Addition to Ravenswood; thence east along said north line and its east extension to the east line of a public alley adjoining Lots 12 through 22 in said Block 4; thence south along said east alley line to the north line of Lot 11 in said Block 4; thence east along the north line of said Lot 11 to the west right-of-way line of Hermitage Avenue; thence east to the intersection of the east right-of-way line of said Hermitage Avenue with the north line of Lot 12 in Block 3 of said Keeney's Addition to Ravenswood; thence east along said north line to the west line of a public alley adjoining Lots 1 through 11 in said Block 3; thence north along said west alley line to the west extension of the north line of Lot 10 in said Block 3; thence east along said extension, said north line and its east extension to the east right-of-way line of Paulina Street; thence south along said east right-of-way line to the north line of Lot 11 in W. H. Whitehead's Subdivision; thence east along said north line to the west line of a public alley adjoining Lot 9 in said W. H. Whitehead's Subdivision; thence north along said west alley line to the north line of a public alley adjoining Lots 6 through 9 in said W. H. Whitehead's Subdivision; thence east along said north alley line to the north extension of the east line of a public alley adjoining Lots 7 and 8 in said W. H. Whitehead's Subdivision; thence south along said extension and said east alley line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of Ashland Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 1 in the resubdivision of Lots 9 through 12 of Block 2 of Bald's Subdivision; thence west along said extension and said south line to the east line of a public alley adjoining Lot 3 in the resubdivision of Lots 1 and 2 in said Block 2 of Bald's Subdivision; thence south along said east alley line to the east extension of the south line of Lot 2 in said resubdivision; thence west along said extension and said south line to the southeast corner of said Lot 2; thence north along the east line of said Lot 2 to the north line of the south 5 feet of said Lot 1 in said

resubdivision; thence west along said north line to the east right-of-way line of Paulina Street; thence west to the intersection of the west right-of-way line of said Paulina Street with the north line of the south 5 feet of Lot 1 in Block 1 of said Bald's Subdivision; thence west along said north line and its west extension to the west line of a public alley adjoining said lot; thence north along said west alley line to the south line of Lot 1 in Block 1 of Kedzie's Addition to Ravenswood; thence west along said south line to the east right-of-way line of Hermitage Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot A in Thompson's Consolidation; thence west along said extension and said south line to the east line of a public alley adjoining Lots 22 through 24 in Block 2 of said Kedzie's Addition to Ravenswood; thence south along said east alley line to the east extension of the south line of the north 33.71 feet of Lot 23 in said Block 2; thence west along said extension and said south line, 101.20 feet, more or less; thence north, 21.50 feet; thence west, 9.61 feet; thence south, 1.01 feet; thence west, 74.71 feet, more or less, to the east right-of-way line of Ravenswood Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 5 in Block 1 in Ravenswood Subdivision; thence west along said extension and said south line to the east line of a public alley adjoining said lot; thence west to the intersection of west line of said alley line with the north line of Lot 19 in said Block 1; thence west along said north line to the east right-of-way line of Wolcott Avenue; thence south along said east right-of-way line to the east extension of the south line of the north 25 feet of Lot 8 in Block 2 of said Ravenswood Subdivision; thence west along said extension, said south line and its west extension to the west line of a public alley adjoining Lots 15 through 22 in said Block 2; thence north along said west alley line to the south line of a public alley adjoining Lots 18 and 19 in said Block 2; thence west along said south alley line and its west extension to the west right-of-way line of Winchester Avenue; thence north along said west right-of-way line to the south line of Lot 3 in Block 3 of said Ravenswood Subdivision; thence west along said south line to the east line of a public alley adjoining Lots 13 through 21 in said Block 3; thence south along said east alley line to the north right-of-way line of Leland Avenue; thence south to the intersection of the south right-of-way line of said Leland Avenue with the east line of a public alley adjoining Lots 1 and 5 in F. R. Kirkham's Subdivision of Lots 22 to 24 and Lots 16 through 21 in Block 4 of said Ravenswood Subdivision; thence south along said east alley line to the east extension of the south line of Lot 20 in said Block 4; thence west along said extension and said south line to the east right-of-way line of Damen Avenue; thence south along said east right-of-way line to the east extension of the south right-of-way line of Eastwood Avenue; thence west along said extension and said south right-of-way line to the south extension of the east line of the west 39 feet of Lots 25 and 26 in Block 6 of Thomas J. Lyman's Subdivision; thence north along said extension and said east line to the north line of said Lot 26; thence west along said north line and its west extension to the west line of a public alley adjoining Lots 25 through 26 in said Block 6; thence north along said west alley

line to the south right-of-way line of Leland Avenue; thence north to the intersection of the north right-of-way line of said Leland Avenue with the west line of a public alley adjoining Lots 7 through 12 in Block 1 of said Thomas J. Lyman's Subdivision; thence north along said west alley line and its north extension to the north right-of-way line of Giddings Street; thence east along said north right-of-way line to the east line of Lot 5 in Louis P. Hammond's Resubdivision; thence north along said east line to the south line of a public alley adjoining Lots 29 through 38 in Block 1 of said Thomas J. Lyman's Subdivision; thence west along said south alley line to the east right-of-way line of Seeley Avenue; thence west to the intersection of the west right-of-way line of Seely Avenue with the south line of a public alley adjoining Lots 31 through 40 in Block 2 of said Thomas J. Lyman's Subdivision; thence west along said south alley line to the east right-of-way line of Hamilton Avenue; thence west to the intersection of the west right-of-way line of said Hamilton Avenue with the south line of a public alley adjoining Lots 31 through 40 in Block 3 of said Thomas J. Lyman's Subdivision; thence west along said south alley line and its west extension to the west right-of-way line of Leavitt Street; thence north along said west right-of-way to the south line of the north 70 feet of Lots 1 through 3 and the east 9 feet of Lot 4 in Circuit Court Partition of Lot 1; thence west along said south line to the west line of said east 9 feet; thence south along said west line to the south line of a public alley adjoining Lots 1 through 23 in said Circuit Court Partition; thence west along said south alley line and its west extension to the west right-of-way line of Oakley Avenue; thence north along said west right-of-way line to the south right-of-way line of Lawrence Avenue; thence west along said south right-of-way line to the northeasterly line of a public alley adjoining Lots 35 through 47 in said Circuit Court Partition; thence southeasterly along said northeast alley line to the northeast extension of the southeast line of Lot 36 in said Circuit Court Partition; thence southwesterly along said extension and said southeast line to the northeasterly right-of-way line of Lincoln Avenue; thence southeasterly along said northeasterly right-of-way line to the northeast extension of the northwesterly line of Lot 8 in P. J. Sexton's Addition to Chicago; thence southwesterly along said extension and said northwesterly line to the easterly line of a public alley adjoining Lots 8 through 23 in said P. J. Sexton's Addition to Chicago; thence southerly along said easterly alley line to the east extension of the south line of a public alley adjoining Lot 7 in said P. J. Sexton's Addition to Chicago; thence west along said extension and said south alley line to the east right-of-way line of Western Avenue; thence south along said east right-of-way line to the south line of Lot 106 in said P. J. Sexton's Addition to Chicago; thence east along said south line and its east extension to the easterly line of a public alley adjoining Lots 8 through 23 in said P. J. Sexton's Addition to Chicago; thence southerly along said easterly alley line to the northerly right-of-way line of Leland Avenue; thence easterly and northeasterly along said northerly right-of-way line and its northeasterly extension to the northeasterly right-of-way line of Lincoln Avenue; thence southeasterly along said northeasterly right-of-way line to the northeast

extension of the southeasterly right-of-way line of Eastwood Avenue; thence southwesterly along said extension and southwesterly and westerly along said southeasterly and south right-of-way line to the east line of a public alley adjoining Lots 68 through 77 in said P. J. Sexton's Addition to Chicago; thence south along said east alley line to the north right-of-way line of Wilson Avenue; thence south to the intersection of the south right-of-way line of said Wilson Avenue with the east line of a public alley adjoining Lots 47 through 53 in E. W. Zander and Company's Subdivision and Lots 52 through 66 in D. Nashlund's Addition to Chicago; thence south along said east alley line to the north right-of-way line of Sunnyside Avenue; thence east along said north right-of-way line to the east right-of-way line of Leavitt Street; thence south along said east right-of-way line to the south right-of-way line of Montrose Avenue; thence west along said south right-of-way line to the west right-of-way line of Campbell Avenue; thence north along said west right-of-way line to the west extension of the north line of a public alley adjoining Lots 16 through 25 in Block 13 of North West Land Association; thence east along said extension and said north alley line to the west right-of-way line of Artesian Avenue; thence east to the intersection of the east right-of-way line of said Artesian Avenue with the north line of a public alley adjoining Lots 25 through 29 in Block 12 of said North West Land Association; thence east along said north alley line to the west line of a public alley adjoining Lots 1 through 24 in Block 12 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Sunnyside Avenue; thence north to the intersection of the north right-of-way line of said Sunnyside Avenue with the west line of a public alley adjoining Lots 1 through 22 in Block 11 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Wilson Avenue; thence north to the intersection of the north right-of-way line of said Wilson Avenue with the west line of a public alley adjoining Lots 1 through 10 in Block 10 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Eastwood Avenue; thence north to the intersection of the north right-of-way line of said Eastwood Avenue with the west line of a public alley adjoining Lots 1 through 4 in Block 7 of said North West Land Association; thence north along said west alley line and its north extension to the south right-of-way line of C.T.A. railroad; thence north to the intersection of the north right-of-way line of said C.T.A. railroad and the south extension of the west line of a public alley adjoining Lots 1 through 5 in Block 6 of said North West Land Association; thence north along said west alley line to the south right-of-way line of Leland Avenue; thence north to the intersection of the north right-of-way line of said Leland Avenue with the west line of a public alley adjoining Lots 1 through 24 in Block 1 of said North West Land Association; thence north along said west alley line to the south line of a public alley adjoining Lots 40 through 44 in Block 1 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Artesian Avenue; thence west to the intersection of the west right-of-way line of said Artesian Avenue with the south line of a public alley adjoining Lots 1 through

10 in Block 2 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Campbell Avenue; thence west to the intersection of the west right-of-way line of said Campbell Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 3 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Maplewood Avenue; thence west to the intersection of the west right-of-way line of said Maplewood Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 4 of said North West Land Association; thence west along said south alley line to the east right-of-way line of Rockwell Street; thence west to the intersection of the west right-of-way line of said Rockwell Street with the south line of a public alley adjoining Lots 1 through 10 in Block 24 of Ravenswood Gardens; thence west along said south alley line to the east right-of-way line of Talman Avenue; thence west to the intersection of the west right-of-way line of said Talman Avenue with the south line of a public alley adjoining Lots 1 through 10 in Block 25 of said Ravenswood Gardens; thence west along said south alley line to the east right-of-way line of Washtenaw Avenue; thence west to the intersection of the west right-of-way line of said Washtenaw Avenue with the south line of a public alley adjoining Lots 1 through 31 in Block 27 of said Ravenswood Gardens; thence west along said south alley line and its west extension to the west right-of-way line of Virginia Avenue; thence north along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the west right-of-way line of California Avenue; thence north along said west right-of-way line to the west extension of the north line of a public alley adjoining Lots 10 through 19 in Frye's Resubdivision; thence east along said west extension and said north alley line to the west right-of-way line of Fairfield Avenue; thence north along said west right-of-way line to the north right-of-way line of Gunnison Street; thence east along said north right-of-way line to the east right-of-way line of Washtenaw Avenue; thence south along said east right-of-way line to the north line of a public alley adjoining Lots 8 through 14 in W. F. Kaiser & Co.'s Lawrence Avenue Subdivision; thence east along said north alley line to the west line of Lot 5 in a subdivision of the west 163.5 feet of Lot 44 and all of Lots 45 and 50 in Sam Shackford's Bowmanville Subdivision; thence south along said west line to the north line of the south 125 feet of said Lot 5; thence east along said north line to the west right-of-way line of Talman Avenue; thence south along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of said Talman Avenue; thence north along said east right-of-way line to the west extension of the north line of a public alley adjoining Lots 1 through 5 in Vogt & Reinert's Subdivision; thence east along said extension and said north alley line to the west right-of-way line of Rockwell Street; thence south along said west right-of-way line to the north right-of-way line of Lawrence Avenue; thence east along said north right-of-way line to the east right-of-way line of said Rockwell Street; thence north along said east right-of-way line to the north line of a public alley adjoining Lots 7 through 11 in E. Vogt's Subdivision of Lot 1; thence east along

said north alley line to the west line of a public alley adjoining Lot 6 in said E. Vogt's Subdivision of Lot 1; thence north along said west alley line to the west extension of the north line of a public alley adjoining Lots 3 and 4 in E. Vogt's Subdivision of Lot 44 (except the west 163.5 feet) in Bowmanville's Subdivision and Lots 1 through 9 in the subdivision of Lot 43 in Bowmanville's Subdivision and Lots 41 and 42 in said Bowmanville's Subdivision and Lots 1 through 8 in Steinbeiss' Subdivision; thence east along said north alley line to a series of south to north lines, being the center of a vacated public alley adjoining Lot 1 in said Steinbeiss' Subdivision; thence northerly along said line series to the south right-of-way line of Gunnison Street; thence west to the southeast extension of the westerly line of a public alley adjoining Lots 4 through 16 in the subdivision of Lots 30 and 31 in Bowmanville's Subdivision; thence northwesterly along said extension and northwesterly and northerly along said westerly alley line to the south right-of-way line of Ainslie Street; thence west along said south right-of-way line to the southeast extension of the westerly line of a public alley adjoining Lots 1 and 49 in Charles Toelle's Addition to Chicago; thence northwesterly along said extension and said westerly line to the south right-of-way line of Argyle Street; thence west along said south right-of-way line to the southerly extension of the west line of a public alley adjoining Lots 1 through 4 in Goetz Brothers' Resubdivision; thence north along said extension and said west alley line to the south line of a public alley adjoining Lot 19 in Bowmanville's Subdivision; thence west along said south alley line to the west line of the east 117 feet of Lots 18 and 19 (as measured along the north line of said Lot 18) in said Bowmanville's Subdivision; thence north along said west line to the south right-of-way line of Winnemac Avenue; thence west along said south right-of-way line of Winnemac Avenue to the southeast extension of the westerly line of a public alley adjoining Lots 1 through 12 in Brunton's Subdivision; thence northwesterly along said extension and northwesterly and northerly along said westerly alley line to the south right-of-way line of Carmen Avenue; thence west along said south right-of-way line to the southerly extension of the west line of a public alley adjoining Lots 1 through 9 in Lincoln Avenue Subdivision; thence northerly along said extension and said west alley line to the south right-of-way line of Winona Street; thence west along said south right-of-way line to the south extension of the east line of Lot 14 in Anton Conrad's Subdivision; thence north along said extension and said east line to the south right-of-way line of Foster Avenue; thence east along said south right-of-way line to the east right-of-way line of Lincoln Avenue, being said point of beginning.

EXHIBIT B
PROPERTY

Legal Description:

LOTS 7 IN PLOTKE AND GROSBY'S SUBDIVISION OF THE WEST 250 FEET OF THE SOUTH 1/2 OF BLOCK 1 IN NORTH RAVENSWOOD, BEING A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 (EXCEPT THE CHICAGO NORTH WESTERN RAILROAD RIGHT-OF-WAY),

ALSO

THE SOUTH 1/2 OF BLOCK 1, (EXCEPT THE WEST 250 FEET) IN NORTH RAVENSWOOD, A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, LYING WEST OF THE CHICAGO AND NORTHWESTERN RAILWAY IN SECTION 7, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 14-07-418-013-0000

Address commonly known as: 1800-1824 West Lawrence Avenue, Chicago, Illinois

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

(a) Property assembly costs, including acquisition, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land; and (b) architectural, engineering and legal fees to the extent attributable to the items described in clause (a) above, and (c) relocation costs (excluding the costs of new construction) for the relocation of the Sears Tire and Auto store	\$4,212,284
Costs of construction of public works or improvements	\$ 949,072
Interest cost related to the construction of the Project, provided that (a) such payments in any one year may not exceed 30% of the annual interest costs incurred by the Developer with regard to the Project during that year, and (b) the total of such interest payments paid may not exceed 30% of the total cost paid or incurred by the Developer for the Project.	\$ 300,000
TOTAL	\$ 5,461,356*

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in **Section 4.03** and shall not exceed \$4,500,000.

NOTE: All references to categories of TIF Funded Improvements described in this Exhibit are subject to the limitations and requirements of the TIF Act.

EXHIBIT D

Intentionally Omitted

[Not Attached for Recording Purposes]

EXHIBIT E

CONSTRUCTION CONTRACT

[Not Attached for Recording Purposes]

EXHIBIT F-1

Form of Guaranty

[Not Attached for Recording Purposes]

EXHIBIT F-2

Form of Guaranty

[Not Attached for Recording Purposes]

EXHIBIT G
PERMITTED LIENS

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any: None.

Soft Costs/Fees

Architecture and Engineering	\$651,778
General Contractor Fee	\$540,769
Insurance	\$198,096
Site Survey	\$95,074
Testing	\$150,000
Permits	\$452,327
Leasing Commissions	\$1,136,246
Real Estate Taxes During Const.	\$150,000
Insurance	\$45,000
Legal, Title, Closing Costs	\$645,000
Utility Charges	\$50,000
Overhead Expenses	\$500,000
Loan Fees	\$350,000
Interest Reserve	\$1,000,000
Developer Fees	\$750,000
Contingency	\$168,343
Total Soft Costs	\$7,882,633
Relocation of an Existing Business	\$1,661,647
Land Acquisition and Assembly	\$1,000,000
Total	\$42,001,730

EXHIBIT H-1
PROJECT BUDGET

Hard Costs	Amount
Tenant Improvements	\$7,899,225
Elevators and Escalators	\$1,750,000
Concrete	\$7,903,834
Mechanical Systems	\$1,348,242
Thermal and Moisture Protection	\$1,555,186
Doors and Windows	\$1,571,027
Site Prep- Earthwork	\$1,270,482
Finishes	\$969,506
Construction Management	\$794,043
General Conditions	\$791,014
Metals	\$746,520
Electrical	\$679,778
Sewer and Water	\$563,068
Traffic Signal	\$346,004
Specialties	\$303,175
Site Concrete	\$281,122
Landscape	\$277,077
Site Prep- ComEd Relocation	\$242,500
Pedestrian Access Improvements	\$40,000
Masonry	\$242,438
Asphalt Paving	\$241,568
Haul Off Spoils-Environmental	\$187,414
Woods and Plastics	\$147,412
Fences and Gates	\$126,907
Winter Conditions	\$95,074
Demolition	\$80,813
Earth Retention	\$71,305
Project Sign	\$50,000
Irrigation System	\$22,247
Bike Racks	\$19,015
Hard Cost Contingency	\$1,841,454
Total Hard Costs	\$32,457,450

EXHIBIT H-2

MBE/WBE BUDGET

Hard Costs of Construction	\$21,167,236
Soft Costs/Fees	\$ 801,778
MBE/WBE Project Budget	<u>\$21,969,014</u>
MBE Total at 24%	\$ 5,272,563
WBE Total at 4%	\$ 878,761

EXHIBIT I

APPROVED PRIOR EXPENDITURES

[Not Attached for Recording Purposes]

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Not Attached for Recording Purposes]

EXHIBIT K

PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES

Year	Minimum EAV
2012	\$ -
2013	\$ -
2014	\$14,621,688
2015	\$15,745,959
2016	\$15,745,959
2017	\$15,745,959
2018	\$16,956,675
2019	\$16,956,675
2020	\$16,956,675
2021	\$18,260,485
2022	\$18,260,485
2023	\$18,260,485
2024	\$19,664,545

EXHIBIT L

REQUISITION FORM

[Not Attached for Recording Purposes]

EXHIBIT M

PROHIBITED USES

[Not Attached for Recording Purposes]

EXHIBIT N
FORM OF SUBORDINATION AGREEMENT
[Not Attached for Recording Purposes]

EXHIBIT O

FORM OF PAYMENT BOND

[Form of Bond to be mutually agreed by Developer and City following Closing]

[Not Attached for Recording Purposes]

EXHIBIT P

AFFIDAVIT OF ARCHITECT FOR LEED CERTIFICATION

[Not Attached for Recording Purposes]

EXHIBIT Q

FORM OF JUNIOR MORTGAGE

Prepared by and after
recording return to:

Sweta Shah, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

For Recorder's Use Only:

JUNIOR CONSTRUCTION MORTGAGE

THIS JUNIOR CONSTRUCTION MORTGAGE ("Mortgage") is made and given as of _____ day of _____, 20____, by Ravenswood Station, LLC, an Illinois limited liability company, having an address at _____, Chicago, Illinois 606__ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at 121 N. LaSalle Street, Chicago, Illinois 60602 ("City" or "Mortgagee").

RECITALS

WHEREAS, the City Council of the City, by ordinance adopted _____ (the "Ordinance"), authorized the execution by Mortgagor and the City of that certain Ravenswood Station, LLC Redevelopment Agreement dated as the date hereof, a copy of which has been recorded prior to the recording of this Mortgage (such agreement, as amended, supplemented or modified, the "Agreement"); and

WHEREAS, all terms, unless defined herein, shall have the meaning given to them in the Agreement; and

WHEREAS, the Agreement provides, among other things, for the Mortgagor to construct and operate a retail shopping center on property in Chicago, Illinois located generally at 1800-1824 West Lawrence Avenue and legally described on Exhibit A attached hereto (the "Land"); and

WHEREAS, the Project will be financed in part with City Funds, up to a maximum aggregate amount of \$4,500,000 (the "City Funds"), to pay for or reimburse the Mortgagor for certain Redevelopment Project Costs, as are further described in the Agreement; and

WHEREAS, the City Funds must be used in accordance with any laws, regulations and ordinances governing the use of such funds, including, without limitation, the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq (the "TIF Act") and the Ordinance; and

WHEREAS, as consideration for the use of the City Funds, as well as the receipt of other benefits from the City as are described in the Agreement, the Mortgagor has agreed to complete and operate the Project in accordance with the terms and conditions of the Agreement, and, until the expiration of the Term of the Agreement, abide by the covenants running with and affecting the Land set forth in Sections 8.01(j), 8.02, 8.06, and 8.19 of the Agreement (collectively, the "Performance Covenants"); and

WHEREAS, the Mortgagor is also obligated to comply with, among other things, the following sections of the Agreement: the transfer restrictions in Sections 8.01(j) and (k) and Section 18.14; the prevailing wage requirements in Section 8.09; the employment opportunity, City resident employment and MBE/WBE utilization requirements in Section 8.07 and Sections 10.01, 10.02 and 10.03; and the financing restrictions inherent in the definition of Lender Financing and in Sections 8.01(d) and (k) and Section 16 (collectively, the "Additional Covenants");

WHEREAS, the failure of the Mortgagor to perform the Performance Covenants, the Additional Covenants and the other covenants and obligations of the Agreement (collectively, the "Covenants") shall give rise to an obligation of the Mortgagor to pay the City the City Funds pursuant to the Agreement, all Protective Advances (as hereinafter defined) and other amounts payable under this Mortgage whether now owing or hereafter accruing (the "Reimbursement Obligation"); and

WHEREAS, certain principals of the Mortgagor, Timothy W. Barrett and Eugene J. Porto, have executed those certain Guaranty Agreements in favor of the City of even date herewith (the "Guaranties") each providing a guaranty in the amount of \$250,000 individually; and

WHEREAS, the parties intend that this Mortgage secure the Guaranties and the Reimbursement Obligation in an amount not to exceed \$500,000;

NOW, THEREFORE, to secure the performance and observance by Mortgagor's principals Timothy W. Barrett and Eugene J. Porto of such covenants and obligations under each respective Guaranty, and in order to charge the properties, interests and rights hereinafter described with such mortgage lien, Mortgagor has executed and delivered the Mortgage and does hereby grant, convey, assign, mortgage, warrant, grant a security interest in, and confirm unto, Mortgagee and its successors and assigns forever, all of the following rights, interests, claims and property (collectively, the "Mortgaged Property"), subject to the title matters, liens and encumbrances set forth in Exhibit B attached hereto:

(A) The Land, together with all easements, water rights, hereditaments, mineral rights and other claims, rights and interests appurtenant thereto;

(B) All buildings, structures and other improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Project, all fixtures or attachments of every kind and nature whatsoever now or hereafter owned by Mortgagor which are or shall be attached to, located in or on, forming a part of, used or intended to be used in connection with or incorporated in the Land or such buildings, structures and other

improvements, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All tenements, easements, rights-of-way and rights used as a means of access to the Land and Improvements and appurtenances thereto now or hereafter belonging or pertaining thereto;

(D) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

(E) all right, title and interest of Mortgagor in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Land or the Improvements, together with all furniture, floor covering, fittings, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Land or the Improvements, or used or useful in connection with any present or future operation of the Land or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation, including all renewals, additions and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment");

(F) all of the estate, interest, right, title or other claim or demand which Mortgagor now has or may acquire with respect to (i) proceeds of insurance in effect with respect to the Land, the Improvements or the Equipment, and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding of all or any portion of the Land, the Improvements or the Equipment;

(G) all intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of Mortgagor, including, but not limited to cash, accounts receivable, bank accounts, certificates of deposit, rights (if any) to amounts held in escrow, deposits, judgments, liens and causes of action, warranties and guarantees, relating to the Land, the Equipment or the Improvements;

(H) all other property rights of Mortgagor of any kind or character related to all or any portion of the Land, the Improvements or the Equipment; and

(I) the proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

All of the Land, Improvements, estate and property hereinabove described, real, personal and mixed, whether or not affixed or annexed, and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared, to the maximum extent permitted by law, to form a part and parcel of the Land and Improvements and to be appropriated to the use thereof, and shall for the purposes of the Mortgage deemed to be conveyed and mortgaged hereby; provided, however, as to any property, aforesaid which does not so form a part and parcel of the Land and Improvements, the Mortgage is hereby deemed also to be a Security Agreement under the Uniform Commercial Code of the State of Illinois (the "Code") for the purposes of granting a security interest in such property, which Mortgagor hereby grants to Mortgagee as secured party (as defined in the Code) and as also contemplated and

provided for in Section 6.10 hereof.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Code, a security interest in all of the above-described property which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) the performance by the Mortgagor's principals Timothy W. Barrett and Eugene J. Porto of their and its covenants and obligations under their respective Guaranties, and (b) the repayment of the Reimbursement Obligation in an amount not to exceed \$500,000.

SECTION I

INCORPORATION OF RECITALS

The Mortgagor acknowledges and agrees that the recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference.

SECTION II

INCORPORATION OF REDEVELOPMENT AGREEMENT PROVISIONS

The Mortgagor acknowledges and agrees that all of the sections of the Agreement cited in the Recitals to this Mortgage, along with all defined terms used in such sections and all other defined terms from the Agreement that are used in this Mortgage, together with such other provisions of the Agreement as may be necessary to reasonably construe such sections and defined terms, are incorporated herein by reference as if fully written out and included as definitions and independent covenants in this Mortgage.

SECTION III

COVENANTS

The Mortgagor covenants, represents and warrants to Mortgagee that:

3.1 Agreement Covenants. Mortgagor shall comply with the Covenants.

3.2 Maintenance of the Mortgaged Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, shall not commit or suffer any waste thereof, and shall keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged

Property upon reasonable prior notice at reasonable times to assure compliance with the terms of the Mortgage.

(d) Mortgagor shall comply with, and cause the Mortgaged Property to comply with, all present and future laws, ordinances, orders, rules, regulations and requirements of any governmental authority applicable to the Mortgaged Property, or any part thereof, and with all recorded restrictions and encumbrances affecting the Mortgaged Property, or any part thereof.

3.3 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed or is otherwise in compliance with the applicable provisions of the Redevelopment Agreement with respect thereto.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

3.4 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as are required of Mortgagor by the Agreement, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies for insurance shall provide that the same shall not be canceled, except upon sixty (60) days prior written notice to Mortgagee.

3.5 Subordination. Mortgagee by acceptance of this Mortgage acknowledges that the Mortgage shall be subject and subordinate in all respects to any mortgage from Mortgagor (the "First Mortgage") in favor of a lender providing Lender Financing for the Project ("Senior Lender") which has been reflected as Lender Financing in the Agreement, and shall also be subordinate to any mortgage(s) (all such mortgages, a "Permanent Mortgage") that replace the First Mortgage (or any Permanent Mortgage). The agreement by the Mortgagee to be the subordinate to a Permanent Mortgage on the terms hereunder shall be reflected by a subordination agreement between the Mortgagee and the Senior Lender named as the mortgagee under such Permanent Mortgage, at the request of such Senior Lender.

SECTION IV

REIMBURSEMENT OBLIGATION

4.1 Generally. The maximum aggregate amount of the Reimbursement Obligation secured by the Mortgage shall be limited to the lesser of (i) the amount of City Funds actually received by the Developer under the Agreement, all Protective Advances (as hereinafter defined) and other amounts payable under this Mortgage whether now owing or hereafter accruing, or (ii) \$500,000. Pursuant to the terms of the Agreement, Mortgagor, from the execution date of the Mortgage until the expiration of the Term of the Agreement (such time period to be referred to as the "Enforceability Period"), shall complete the Project in accordance

with the terms and conditions of the Agreement, and shall, until the expiration of the Term of the Agreement, abide by the Covenants.

4.2 Recapture. If during the Enforceability Period, Mortgagor fails to complete the Project in accordance with the terms and conditions of the Agreement or subsequent to the issuance of the Certificate by the City, fails to perform in accordance with the Covenants, and after the delivery of written notice and the expiration of any applicable cure period (as described in Section 15 of the Agreement) the City shall be entitled to recapture, and Mortgagor shall be obligated to pay the City, an amount equal to the funds then subject to recapture (as described in Section 4.1 above). The Mortgagee may proceed to foreclose this Mortgage and to exercise any other rights and remedies available to Mortgagee under this Mortgage and the Agreement and at law, in equity or otherwise

4.3 Release of Mortgage. Upon the expiration of the Enforceability Period, if Mortgagor has complied with the Covenants to the satisfaction of Mortgagee, then Mortgagor shall be deemed to have fully complied with the provisions contained in the Mortgage, and Mortgagor shall be under no further obligation to Mortgagee. In addition, if Mortgagor has paid to the City the entire amount of the Reimbursement Obligation which would then be due (calculated as if there had been a failure by Mortgagor to comply with the Covenants) as described in Section 4.1 then Mortgagor shall be under no further obligation to Mortgagee hereunder. In either event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage. Said release shall be in recordable form.

SECTION V

DEFAULT

5.1 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean the failure by Mortgagor to duly observe or perform any material term, covenant, condition, or agreement of the Mortgage or the Covenants after the expiration of all cure periods, if any, as provided herein or in the Agreement.

5.2 Mortgagee's Options; Subrogation; Acceleration; Cure. In case of an Event of Default, Mortgagee may make any payment or perform any act required of Mortgagor and may make full or partial payments of principal or interest on any Lender Financing or prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem the Mortgaged Property from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment thereon. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Mortgaged Property and the lien hereof, shall be deemed additional indebtedness secured hereby. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

(b) To the extent that Mortgagee, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Mortgage, or Mortgagor or any other person or entity pays any such sum with the proceeds of the indebtedness secured hereby, Mortgagee shall have and be entitled to a lien or other interest on the Mortgaged Property equal in priority to the lien or other interest discharged and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby; provided however Mortgagee shall not be entitled to a

lien or other interest in the Mortgaged Property pursuant to any lien created by the Lender Financing documents.

(c) If an Event of Default shall have occurred under the Agreement (with respect to the Covenants) or the Mortgage, and shall have continued for thirty (30) days following the receipt of notice thereof from Mortgagee to Mortgagor, the amount of the Reimbursement Obligation for which Mortgagor is then liable (as determined by Section 4.1 above) and secured hereby, at Mortgagee's sole option, shall immediately become due and payable without further notice or demand; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) day period and if Mortgagor has commenced efforts to cure, then, the time to cure shall be extended so long as said party diligently continues to cure such default; provided, further, that no such notice and cure provisions described above shall apply with respect to an Event of Default arising from the failure by Mortgagor to perform the Covenants, as the notice and cure periods, if any, of the Agreement shall apply to such Event of Default.

(d) Except as otherwise permitted by the terms of the Agreement or by Mortgagee's written consent, any sale, partial sale, refinancing, syndication or other disposition of all or substantially all of the Mortgaged Property (other than in the ordinary course of the Mortgagor's business) shall entitle the Mortgagee to declare the Reimbursement Obligation for which Mortgagor is then liable (as determined by Section 4.1 above) and secured hereby immediately due and payable without further notice or demand; provided, however, the replacement or substitution of any machinery, equipment or fixtures, now owned or hereafter acquired by Mortgagor, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Code, will not be an Event of Default under the Mortgage, provided Mortgagor, if requested to do so by Mortgagee, executes such documents as may be necessary or deemed appropriate to assure Mortgagee of a continuing perfected secured interest in such replacement or substituted machinery, equipment or fixtures.

5.3 Remedies. Mortgagee's remedies as provided in this Mortgage and the Agreement shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Mortgagee and may be exercised as often as occasion therefor shall arise, and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute.

5.4 Additional Indebtedness. In the event that the Mortgagee retains an attorney to: (a) assist in collecting amounts owed or enforcing the Mortgagee's rights under this Mortgage or the Agreement; (b) represent Mortgagee in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under this Mortgage or the Agreement; (c) protect or enforce the lien of this Mortgage; or (d) represent Mortgagee in any other proceedings whatsoever in connection with this Mortgage, the Agreement or the Mortgaged Property, then Mortgagor shall pay to Mortgagee all reasonable attorneys' fees, and all costs and expenses incurred in connection therewith.

5.5 No Waiver. Failure of Mortgagee, for any period of time or on more than one occasion, to exercise any such remedy shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent Event of Default. No act of omission or commission of Mortgagee, including specifically any failure to exercise any right or remedy, shall be deemed to be a waiver or release of the same; any such waiver or release is to be effected only through a written document executed by Mortgagee and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as a waiver or release of any subsequent event or as a bar to any subsequent exercise of Mortgagee's rights or

remedies hereunder. Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Mortgage is not required to be given.

5.6 Right of Possession. To the extent permitted by law, in any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the institution of such proceedings or before or after sale thereunder, Mortgagor shall, at the option of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take, actual possession of all or any portion of the Mortgaged Property personally or by its agents or attorneys, and Mortgagee, in its sole discretion, may enter upon, take and maintain possession of all or any portion of the Mortgaged Property.

Upon taking possession of the Mortgaged Property, Mortgagee may make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Property as it may deem judicious to insure, protect and maintain the Mortgaged Property against all risks incidental to Mortgagee's possession, operation and management thereof, and may receive all rents, issues and profits therefrom.

5.7 Foreclosure Sale. The Mortgaged Property or any interest or estate therein sold pursuant to any court order or decree obtained under this Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect, to the maximum extent permitted by Illinois law. At any such sale, Mortgagee may bid for and acquire, as purchaser, all or any portion of the Mortgaged Property and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

5.8 Application of Proceeds from Foreclosure Sale. Proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, (ii) the amounts owed pursuant to Section 4.1 of this Mortgage, and otherwise due and payable under this Mortgage, with interest thereon at the rate of fifteen percent (15%) per annum (the "Interest Rate"), and (iii) any surplus or remaining funds to Mortgagor, its successors or assigns, as their rights may appear.

5.9 Insurance Upon Foreclosure. Wherever provision is made in the Agreement for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and powers of Mortgagee shall continue in Mortgagee as judgment creditor or mortgagee until confirmation of sale. Upon confirmation of sale, Mortgagee shall be empowered to assign all policies of insurance to the purchaser at the sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the Mortgaged Property, shall be used to pay the amount due in accordance with any foreclosure decree that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

5.10 Waiver of Statutory Rights. To the extent permitted by law, Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, reinstatement, stay, extension or exemption laws or any so-called "Moratorium Laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement of foreclosure of this Mortgage and hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the

Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption and rein-statement, on its own behalf and on behalf of each and every person having a beneficial interest in Mortgagor, it being the intent hereof that any and all such rights of redemption or rein-statement of Mortgagor and of all other persons are and shall be deemed to be hereby waived. Mortgagor acknowledges that the Mortgaged Property do not constitute agricultural real estate, as said term is defined in Section 5/15-1201 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101, et seq. (the "Act") or residential real estate as defined in Section 5/15-1219 of the Act.

5.11 Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the sum then remaining unpaid, together with all interest thereon at the Interest Rate, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, without its express written consent, except and to the extent otherwise provided by law.

5.12 Rescission of Election. The obligation to make immediate payment of the City Funds, once such payment becomes due under the terms of this Mortgage, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed. In either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and powers of Mortgagee shall continue as if such obligation to make immediate payment had not been made or such proceedings had not been commenced, as the case may be.

5.13 Protective Advances; Maximum Amount of Indebtedness. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(b) payments by Mortgagee of: (i) when due, installments of principal, interest or other obligations in accordance with the terms of the documents evidencing and securing the Lender Financing, if any, or other prior lien or encumbrance; (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under any mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Sections 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with

any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for or payments of installments of taxes and assessments and insurance premiums;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection (c)(1) of Section 5/15-1704 of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (vii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment or loan agreement; (viii) pursuant to any lease or other agreement for occupancy of the Mortgaged Property; and (ix) if this Mortgage is insured, payments of FHA or private mortgage insurance.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(1) the determination of the amount of indebtedness secured by this Mortgage at any time;

(2) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(3) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Act;

(4) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(5) the application of income in the hands of any receiver or mortgagee in possession; and

(6) the computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

The maximum principal amount of indebtedness secured by this Mortgage shall be the lesser of (i) the amount of City Funds actually received by the Developer under the Agreement, plus any Protective Advances, with interest on such sum at the Interest Rate, or (ii) \$500,000.

SECTION VI

MISCELLANEOUS PROVISIONS

6.1 Notice. Unless otherwise specified, any notice, demand or request required hereunder shall be given in the same manner as in Section 17 of the Agreement.

6.2 Time. Time is of the essence with respect to this Mortgage and the performance of the covenants contained herein.

6.3 Modifications. This Mortgage may not be altered, amended, modified, canceled, changed or discharged except by written instrument signed by Mortgagor and Mortgagee or their respective permitted successors and permitted assigns.

6.4 Headings. The headings of articles, sections, paragraphs and subparagraphs in this Mortgage are for convenience of reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

6.5 Governing Law; Venue; Jurisdiction. This Mortgage shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles. If there is a lawsuit under this Mortgage, each party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois, or the United States District Court for the Northern District of Illinois.

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

6.7 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

6.8 Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Nothing in this Section 6.8 shall be construed to modify the transfer and assignment limitations set forth in the Agreement.

6.9 Further Assurances. Mortgagor will perform, execute, acknowledge and deliver every act, deed, conveyance, transfer and assurance necessary or proper, in the sole judgment of Mortgagee, for assuring, conveying, mortgaging, assigning and confirming to Mortgagee all property mortgaged hereby or property intended so to be, whether now owned or hereafter acquired by Mortgagor, and for creating, maintaining and preserving the lien and security interest created hereby on the Mortgaged Property. Upon any failure by Mortgagor to do so, Mortgagee may make, execute and record any and all such documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee and its agents as attorney-in-fact for that purpose. Mortgagor will reimburse Mortgagee for any sums expended by Mortgagee in making, executing and recording such documents including attorneys' fees and court costs.

6.10 Security Agreement. This Mortgage shall be construed as a "security agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures or personal property. Mortgagee shall have all the rights with respect to such fixtures or personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement. Upon the recording hereof, this Mortgage shall constitute a financing statement under the Uniform Commercial Code, with Mortgagor being the Debtor, Mortgagee being the Secured Party, and the parties having the addresses set forth in the recitals. This Mortgage is a "construction mortgage" as that term is defined in Section 9-313(1)(c) of said Uniform Commercial Code.

6.11 No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien thereof do not merge in fee simple title, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to the Mortgaged Property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee, as evidenced by an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

[Signatures Appear On Next Page]

IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR:

Ravenswood Station, LLC, an
Illinois limited liability company

By: _____

Name: _____

Title: _____

Exhibit A
Legal Description

LOTS 7 IN PLOTKE AND GROSBY'S SUBDIVISION OF THE WEST 250 FEET OF THE SOUTH 1/2 OF BLOCK 1 IN NORTH RAVENSWOOD, BEING A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 (EXCEPT THE CHICAGO NORTH WESTERN RAILROAD RIGHT-OF-WAY),

ALSO

THE SOUTH 1/2 OF BLOCK 1, (EXCEPT THE WEST 250 FEET) IN NORTH RAVENSWOOD, A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, LYING WEST OF THE CHICAGO AND NORTHWESTERN RAILWAY IN SECTION 7, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT B

Those matters set forth as Title Exceptions on Schedule B in the Mortgagee's lender's title insurance policy issued by Chicago Title Insurance Company to the City of Chicago as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of Ravenswood Station, LLC, 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 Managing Member and the Developer, as his/her free and voluntary act and as the free and voluntary act of the Managing Member and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, 20__.

Notary Public

My Commission Expires
(SEAL)