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540 WEST MADISON REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

LA SALLE STREET CAPITAL, INC.



After recording please return
this agreement to
Randall L. Johnson, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

Near North National Title Corp
222 North LaSalle Street
Chicago, Illinois 60601

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Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	Escrow Agreement
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
[Exhibit H-2]	*MBE/WBE Budget]
Exhibit I	Approved Prior Expenditures
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Exhibit K	*Preliminary TIF Projection -- Real Estate Taxes
Exhibit L	Requisition Form [use if no escrow]
	[Intentionally Omitted]
[Exhibit M	*Form of City Note]
[Exhibit N	*Public Benefits Program]
Exhibit O	Form of Subordination Agreement
	[Intentionally Omitted]
Exhibit P	Form of Payment Bond
Exhibit Q	Illinois First Grant Agreement

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

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

540 WEST MADISON REDEVELOPMENT AGREEMENT

This 540 West Madison Redevelopment Agreement (this "Agreement") is made as of the 28th day of October, 2003, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and LaSalle Street Capital, Inc., a Delaware corporation (the "Developer" or "Owner"), which is a wholly owned subsidiary of LaSalle Bank Corporation, a Delaware corporation ("LaSalle"), which is a wholly owned subsidiary of ABN AMRO Holding N.V. ("ABN AMRO").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and

conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on January 10, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the River West Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the River West Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the River West Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Developer has acquired (the "Acquisition") certain property located within the Redevelopment Area and commonly known as 540 West Madison Street, Chicago, Illinois 60661 and legally described on Exhibit B hereto (the "Property"). The Property is located on the block bound by W. Washington St., N. Clinton St., W. Madison St. and N. Jefferson St. (the "Site") which Site previously served as a surface parking lot and contains approximately 128,957 square feet (2.96 acres). Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete construction of an approximately 1.3 million square foot, 31 story state-of-the-art high technology office building with two levels of below grade parking containing approximately 250 spaces (the "Facility") thereon. The Project (defined below) will consolidate certain technology and administrative operations located in LaSalle's existing City facilities into a single high-technology Facility. The construction of 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 City of Chicago River West Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing & Lender Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Note (defined below) and/or (ii) Available

Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

In addition the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(c) 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 Available Incremental Taxes [(including any such payment made pursuant to any City Note provided to the Developer pursuant to this Agreement)], to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

Developer has obtained Lender Financing (as defined below) for the construction of the Project from ABN AMRO BANK N.V., a Dutch corporation, DUBLIN BRANCH ("ABN-AMRO/DUBLIN"). Financing from ABN-AMRO/DUBLIN replaces, and re-paid, financing previously obtained from a syndicate of banks with Fleet National Bank as the lead arranger and administrative agent (the "Bank") pursuant to which Developer would lease the Property from Wells Fargo Bank Northwest National Association, as trustee ("Trustee") and legal title holder to the Property, under the 540 West Madison Trust, 2001 (the "Trust") pursuant to that certain lease agreement between the Developer as lessee and the Trust as lessor dated as of April 30, 2001. The lease was one of the documents which, taken together, comprised the Synthetic Lease (as defined below). The Bank and other participating lenders provided financing to the Developer through the Trust pursuant to the Synthetic Lease documents to construct the Facility.

G. Job Creation & Retention Goals: In completing the Project, Owner and Developer have the goal of creating or retaining (i) not less than 3900 full-time equivalent jobs within two (2) months of the issuance of the Certificate (as defined herein) and (ii) not less than one thousand (1,000) additional full time equivalent permanent jobs within two (2) years of completing the project, for a total of four thousand nine hundred (4900) full-time equivalent jobs created or maintained for ten (10) years from the issuance of the Certificate, not including years out of compliance with the jobs requirement set forth in Section 8.06). The goals set forth in this recital shall include the jobs created or retained as part of the requirement of Section 8.06.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable

consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Act" shall have the meaning set forth in 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 the Developer.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes in excess of the initial \$6,000,000 (which shall be claimed by the City) derived from the tax parcels wholly and partially included within the Property and deposited in the River West Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund after the effective date of the River West Redevelopment Project Area.

"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.

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

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note will be established.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as

described in Section 3.03, Section 3.04 and Section 3.05, respectively.

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

"City Funds" shall mean the funds paid to the Developer pursuant to the City Note.

"City Note" shall mean the 540 West Madison Note, to be in the form attached hereto as Exhibit M, in the maximum principal amount of \$27,037,699, issued by the City to the Owner/Developer as provided herein. The City Note shall bear interest at an annual rate of seven and 25/100 percent (7.25%) and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate. All interest earned on the City Note shall be taxable.

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

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

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

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

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

Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Owner, which together with Developer funds derived from Lender Financing and State Funds (hereinafter defined herein) are 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, if any, established pursuant to the Escrow Agreement, if any.

"Escrow Agreement" shall mean the Escrow Agreement, if any, establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer, the Developer's lender(s) and the General Contractor, substantially in the form of Exhibit F attached hereto.

"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 the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods. If the audited financial statements of Developer have not been prepared then Developer shall deliver a certified statement to that effect and in such event, the audited financial statements of ABN AMRO shall be sufficient.

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

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b)

of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the River West Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds available to the Owner, which together with Funds that constitute Equity are 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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise.

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

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

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

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

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, 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, showing the total cost of the Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

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

"River West Tax Increment Financing Redevelopment Project Area Special Tax Allocation 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.

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City, Developer's Lender 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).

"Synthetic Lease" is the Lease Agreement dated as of April 30, 2001 between the Trust as Lessor, and Developer as Lessee, as amended, supplemented or modified from time to time, including by the Omnibus Agreement dated as of July 13, 2001, among the Trust, Developer, BancBoston Leasing Investments, Inc., Fleet National Bank and other lender participants identified therein. The lender participants identified in the Omnibus Agreement, ABN-AMRO as guarantor and the Bank as lead administrative agent entered into a Participation Agreement as of April 30, 2001; through the participation agreement and other related documents, the participating banks agreed to provide the Trust with loans not to exceed three hundred eighty six million dollars (\$386,000,000). Through other Synthetic Lease Documents, (i) the Trust appointed the Developer as its construction agent, (ii) the Developer agreed to construct the project and undertake obligations traditionally borne

by an owner and (iii) upon satisfaction of certain conditions by Developer, the Trust would make the participating lender proceeds available to complete construction. The loan provided pursuant to the Synthetic Lease transaction was re-paid through the Bank as part of closing the transaction by which Owner/Developer obtained the Lender Financing from ABN-AMRO/DUBLIN.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of (i) ten (10) years from the issuance of a Certificate or (ii) the date which is the tenth (10th) year that Developer meets the requirement to provide or retain jobs at the Site as set forth in Section 8.06 unless otherwise terminated as provided herein.

"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-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 Near North Title Insurance Company.

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

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

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's

Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer has commenced construction and shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, complete construction and conduct business operations therein no later than December 31, 2004.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than three hundred forty-two million four hundred forty-seven thousand six hundred fifty-eight and no/100 Dollars (\$342,447,658). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget that require approval by DPD pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Project; (b) a change in the use of the Property to a use other than as a 31-story high-rise high technology center; (c) a delay in the

completion of the Project by more than six (6) months; or (d) Change Orders which individually or cumulatively increase the construction budget by five percent (5%) or more. The Developer shall not authorize or permit the performance of any work relating to any Change Order requiring DPD's written consent or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval and shall be at risk if it proceeds with any of the above Change Orders without prior written DPD approval. DPD will make best efforts to expeditiously review all Change Orders requiring its approval and approve or reject same in writing. If DPD does not respond in writing within ten (10) business days, the Change Order shall be deemed approved. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain provisions consistent with the terms of this Section 3.04. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, DPD shall be notified in writing of all Change Orders (including those Change Orders which do not require DPD's approval) prior to the implementation of such Change Orders and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written progress reports detailing the status of the Project on a quarterly basis, including a revised

completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Progress Reports shall also include duplicates of applicable support documentation verifying the disbursement and receipt of overall Project Funds (i.e., invoices, canceled checks, partial and final lien waivers, etc.). In addition to the Surveys required to be delivered pursuant to Section 5.07 hereof, the Developer shall provide three (3) copies of an updated Survey to DPD upon the request of either DPD or any lender providing Lender Financing, reflecting improvements made to the Property. Developer shall also provide DPD with written monthly reports on M/WBE utilization, Prevailing Wage and City Residency requirements based on expenditures to date; and if applicable, a report including a plan by Developer to address any shortfall.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, but not to exceed \$25,000, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder and pursuant to the Escrow Agreement.

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

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

3.11 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all City

requirements governing such connections, including the payment of customary fees and costs related thereto.

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$342,447,658, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity/Lender Financing/State Funds	\$315,409,959
Estimated City Funds (subject to <u>Section 4.03</u>)	27,037,699
ESTIMATED TOTAL	\$342,447,658

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Owner 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 DPD 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 issue the City Note to the Developer on the Closing Date. The principal amount of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Owner and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that (i) the maximum principal amount of the

City Note shall be an amount not to exceed the lesser of \$27,037,699 or seven and 90/100 percent (7.9%) of the actual total Project costs; (ii) the City shall be entitled to receive the first \$6,000,000 of Available Incremental Taxes generated from the effective date of the River West Redevelopment Project Area; (iii) in the year the City receives the initial \$6,000,000 in Available Incremental Taxes, the holder of the City Note will receive the balance of Available Incremental Taxes that exceeds said initial \$6,000,000; (iv) beginning in the year following the City's receipt of the initial \$6,000,000 in Available Incremental Taxes, the holder of the City Note shall be entitled to eighty percent (80%) of the of the annual Available Incremental Taxes for a period of ten (10) years after the issuance of the Certificate (exclusive of any years Developer is out of compliance with the jobs requirements set forth in Section 8.06); (v) if, after receiving payments of principal and interest on the City Note equal to no greater than eighty percent (80%) of the annual Available Incremental Taxes for seven (7) years (exclusive of years out of compliance with the Section 8.06 jobs requirement) after the issuance of the Certificate, Developer reasonably believes said payments will not be sufficient to pay the full amount of principal and interest due under City Note in ten (10) years after the issuance of the Certificate (exclusive of years out of compliance with the Section 8.06 jobs requirement), the Developer may submit a written request to DPD to increase the percentage of Available Incremental Taxes applied to payments of principal and interest due under the City Note which request the City shall consider using its reasonable discretion; (vi) in any event, payments of principal and interest due under the City Note are, and shall remain subject to, the amount of Available Incremental Taxes deposited into the River West Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund being sufficient for such payments; (vii) the amount of time the holder of the Note receives payments of principal and interest due under the City Note may be increased to more than ten (10) years after the issuance of the Certificate (exclusive of years out of compliance with the Section 8.06 jobs requirement) subject to the earlier of the date repayment of the amount set forth in clause (i) of this Section 4.03(b) is made and the expiration date of the River West Redevelopment Area; and (viii) the City may pay principal and interest on the City Note (including prepayment without penalty) using TIF Bond proceeds, if the City decides to issue same.

(c) TIF Bonds. The City, in its sole discretion, may decide to issue Bonds secured by Incremental Taxes. The City shall pay the costs of issuing such TIF Bonds including but not limited to bond counsel fees, underwriters' fees and consultants' fees. In no

event shall Developer be required to incur any out-of-pocket expenses.

The City makes no representation that it will issue TIF Bonds to provide Developer with TIF Bond Proceeds as a way of funding the city financial commitment to Developer. However, if the City, in its sole discretion, decides to issue additional bonds, the City may elect to use said Bond Proceeds to fund or repay (without penalty) the remaining amount due under the City Note.

4.04 Construction Escrow. If required by any lender or investor, the City shall also enter into the Escrow Agreement. In the event the City enters into the Escrow Agreement, all disbursements of Project funds (except for the Prior Expenditures and acquisition costs certified by DPD and set forth on the City Note issued through a deed and money escrow at the closing) shall be made through draw requests and the issuance of a Certificate of Expenditure as part of an updated City Note with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. In any event, the City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement. In any event, the City shall also receive a copy of each Inspecting Agent reports required by Lender to disburse overall Project Funds as well as all relevant Progress Reports and Survey Updates as required in Section 3.07 hereof.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its reasonable discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD, as of the date hereof, as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof. No City Funds will be paid on the Closing Date. On the Closing

Date the City shall issue the City Note with a principal balance equal to the total of all Prior Expenditures approved by DPD.

(b) Purchase of Property. A portion of the purchase price of the Property, exclusive of transaction costs, in an amount not to exceed \$26,620,000, shall be reimbursed to the Owner from City Funds on the Closing Date through the issuance of the Note as a TIF-Funded Improvement.

(c) City Fee. [Intentionally Left Blank]

(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 DPD, 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 DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Owner or Developer, as appropriate, 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 Execution of Certificate of Expenditure. [Intentionally Left Blank]

4.08 Other Project Financing. The Developer is seeking several sources of State funds and tax relief (the "State Incentives") in connection with the Project. Those incentives include:

State Funding:

State Funds:	\$ 5,000,000	(currently Illinois First funds allocated to pre-development costs in the budget and included as Equity in the Sources of Funds set forth in Section 4.01 above)
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High Impact Business \$ 4,854,373 (a combination of sales tax exemption on building materials and corporate income tax credits)

The City acknowledges that Developer has not received all final approvals for all of the State Incentives, and that their monetary amounts are represented at their estimated potential value.

The City agrees that, if necessary, DPD or another appropriate City department will act as a conduit between the State and the Developer with respect to the State funds (the "State Funds"). DPD will disburse all State Funds to the Developer pursuant to all applicable State laws and regulations. The default provisions and remedies set forth herein for the sole benefit of the City shall only apply to State Funds received as part of the State Incentives as reasonably needed by the City to comply with any State Laws, regulations, rules or directives regarding the State Funds. In its role as conduit, the City will assume no liability except for failure to comply with applicable State Laws and regulations, which failure is due solely to the gross negligence and sole action of the City. The Developer agrees to: (i) indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursement of any kind or nature arising from the City acting as conduit for the State Incentives, except that set forth in the preceding sentence, and (ii) perform any and all actions required by applicable agreements, State Laws, regulations, rules or directives regarding the State Funds received as part of the State Incentives including, without limitation, the agreements applicable to the Illinois First Grant Agreement (Grant Agreement No. 02-120405) [the "IL First Grant Agreement"] which governs the State Funds and was entered into by and between the City and the Illinois Department of Commerce and Community Affairs (the "Department") and is attached as Exhibit Q hereto. The parties further agree that (i) Developer and its Affiliates shall expend the Illinois First Grant funds in accordance with the Part I, Budget attached to the IL First Grant Agreement and (ii) Developer and its Affiliates shall be subject to all of the terms and conditions of the IL First Grant Agreement, including recourse available to the Department for failure to comply with the terms of the IL First Grant Agreement. All State Funds received shall be used as Equity contributed by Owner/Developer.

4.09 Limits on Other Financing. Until a Certificate of Completion for the Project (as described in Section 7.01) is issued by the City, City consent is required for financing secured by the Property except for the Financing from ABN-AMRO/DUBLIN. After issuance of the Certificate of Completion, if ABN-AMRO/DUBLIN, or other permitted transferee (as set forth in Section 8.24) accepts assignment of this Agreement, City consent shall not be required. However, in all cases of a transfer of an interest in the Property or assumption of the rights and obligations under this Agreement, City consent shall be required for City to be obligated to pay any Available Incremental Taxes or City Note payments to any transferee other than Developer or Affiliates thereof. If City consent is denied, or ABN-AMRO/DUBLIN or other permitted transferee does not accept assignment of this Agreement, this Agreement shall terminate and the City shall provide Developer with a release of this Agreement and any applicable Subordination Agreement in recordable form within thirty (30) days of such termination.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

delivered to DPD a copy of the construction escrow agreement, if any, entered into by the 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 the Developer, with the Office of the Recorder of Deeds of Cook County. The Developer has also furnished proof reasonably acceptable to the City that Developer has applied for any and all State Funds sought for the development of the Project, including deadlines as to when the respective State Agencies will make final decisions on the award of State Funds.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Owner 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. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: ABN-AMRO North America, Inc., LaSalle Bank Corporation and ABN-AMRO Bank N.V., a Dutch Corporation as follows:

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

showing no liens against the Developer, the Owner, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey for the Property. Prior to the execution of this Agreement the City shall approve the Survey. Prior to the issuance of the Certificate of Completion, Developer shall provide DPD with an as-built survey which DPD shall review and accept or reject within ten (10) business days of receipt. Owner shall not be entitled to receive payments on the City Note until the Survey is accepted by the City. Notwithstanding the above, DPD shall only have the right to reject the Survey if it contains encumbrances against the Property other than Permitted Liens or shows the Project completed in a manner that does not substantially comply with the Plans and Specifications.

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

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

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

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for itself, if any, and ABN AMRO, for the three (3) most recent fiscal years along with audited or unaudited interim financial statements.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to the current state of, or plan for, complying with employment requirements set forth herein, which documentation shall be updated and recertified as required by the terms of this Agreement.

5.13 Environmental. The Developer has provided DPD 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 reasonably required by the City. The 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. The Developer has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificate of good standing from the Secretary of State of its states of incorporation or existence and all other states in which the Developer is qualified to do business directly relating to the Project; secretary's certificates in such form and substance as the Corporation Counsel may require; by-laws of the corporation; and such other corporate documentation as the City has requested. The Developer has provided to the City Economic Disclosure Statements, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, 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 Leases; Other Financing Documents and Other Customary Requirements. Developer shall deliver a complete, fully executed copy of the Lender Financing documents, certified by all parties as complete and identical to the originals, at Closing along with any other financing documents and customary closing requirements requested by the Corporation Counsel.

5.17 Closing Memorandum. Developer/Owner shall deliver a memorandum setting forth the detail of the current Lender Financing arrangement with ABN-AMRO Dublin and the purpose for terminating the Synthetic Lease Financing.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsive and responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed

Construction Contract (which must include language regarding the City's MBE/WBE, City Resident and Prevailing Wage requirements) with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

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

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

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement, after the final disbursement from any Escrow, and upon receipt of the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to

complete construction of the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) 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 the Developer in order to obtain the Certificate. The 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 the 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, and 8.22 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement 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 the Owner/Developer, or (i) a Successor in interest to Developer/Owner [as set forth in Section 16(b)] or (ii) a permitted assignee of the Owner/Developer either of whom, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Owner's or Developer's rights under this Agreement and assume the Owner's or Developer's liabilities hereunder.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has any of the following rights and remedies:

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

(b) the right to (i) cease making payments under the City Note; and (ii) cancel the City Note; which rights shall not, in either case, diminish or otherwise affect the obligations of Developer and Owner hereunder.

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

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

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

(a) the Developer is a Delaware corporation duly organized, validly existing, qualified to do business in its state of incorporation 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) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Owner/Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Site (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 the Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

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

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

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer and ABN AMRO, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD, which shall not be unreasonably withheld: (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 improvements, fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business (restrictions set forth in Section 8.24 shall also apply to the ability of Developer/Owner to sell, transfer, convey, lease, or otherwise dispose of the Property); (3) enter into any transaction outside the ordinary course of the Developer's business that would adversely affect the ability of the Developer to complete the Project; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity that would adversely affect the ability of the Developer to complete the Project; or (5) enter into any transaction that would cause a material and detrimental change to the 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 DPD 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

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, if any, the TIF Bond Ordinance, if any, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders, and codes applicable to the Project, the Property and/or the Developer/Owner. 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. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

8.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds (including TIF Bonds -- all said bonds being referred to as the "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 of, the TIF-Funded Improvements, the TIF Bonds, the City Note or other TIF Eligible Costs associated with the Redevelopment Plan; provided, however, that any such amendments

shall not have a material adverse effect on the Developer or the Project. The Developer shall 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; Covenant to Remain in the City; Other Employment Goals.

(a) Job Creation/Retention Requirement; Covenant to Remain in the City. Within two (2) months from the issuance of the Certificate, Developer (or one or more of its Affiliates) shall continuously maintain a minimum of 2,700 full time equivalent jobs employed in the Developer's (or its Affiliates') operations at this Site for ten (10) years; if this requirement is not met at the end of any said year then Developer will be deemed out of compliance with this requirement for the year. Any year out of compliance will not count toward the 10-year job maintenance requirement set forth in the preceding sentence. Immediately upon being determined that Developer is out of compliance with the 10-year jobs requirement for a fourth (4th) year, this Agreement shall terminate. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the site described above for a period of ten (10) years from the issuance of a Certificate, which period shall be extended for any year which Developer is out of compliance with the 10 year job maintenance requirement. Payments on the Note shall only be made for years during which Developer complies with the job requirements. The covenants set forth in this Section shall run with the land and are binding upon any transferee.

(b) Notwithstanding the covenants set forth above in Section 8.06(a), the Developer also has the goal of creating or retaining a total of four thousand nine hundred (4900) full-time equivalent jobs for ten years following the issuance of the Certificate created as follows: (i) not less than 3900 full time permanent jobs within two (2) months of completion and (ii) not less than one thousand (1,000) additional full-time equivalent permanent jobs within two (2) years of completing the Project. For purposes of this Section 8.06, a "full-time equivalent, permanent job" shall mean a job filled by a person who works a minimum of 35 hours per week, for no less than nine months of the year or a combination of jobs matching this description.

8.07 Employment Opportunity; Progress Reports. The Developer/Owner covenants and agrees to abide by, and contractually

obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement (based on the amount of expenditures incurred to date). The reports regarding 8.09 and 10.02 requirements shall be delivered to the City. The reports regarding Section 10.03 requirements shall be delivered monthly. All progress reports shall include duplicates of applicable support documentation verifying the disbursement and receipt of overall Project Funds. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.09 Prevailing Wage. The Developer/Owner covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate for all construction trades as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvements. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer/Owner represents, warrants and covenants that, to the best of its knowledge, no member, official,

or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. The counsel for the Developer/Owner shall have no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's or ABN AMRO's (as appropriate) fiscal year ended December 31, 2002 and each December 31 thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Owner/Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Owner or Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Owner/Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. The Owner/Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted,

in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Owner/Developer's covenant to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

(ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Owner/Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer/Owner, the Property or the Project, or become due and payable, and which create, or may create, a lien upon the Developer or all or any portion of the Site or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Owner/Developer has the right, before any delinquency occurs, to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(i) the Owner/Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Owner/Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(ii) the Owner/Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If the Owner/Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Owner/Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by Owner/Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Owner/Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the minimum assessed value of the Site ("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 Site and the Project for the years shown are fairly and accurately indicated in Exhibit K.

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

(iii) No Reduction in Real Estate Taxes. Neither the Owner/Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer/Owner 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 Site, the Property or the Project below the

amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

(iv) No Objections. Neither the Owner/Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Owner/Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under assessment 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 "Under assessment 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, **subject to the terms of Section 16(b) hereof**, and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer/Owner and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Owner/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 for so long as such covenants and restrictions are in effect. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer/Owner or its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Participation in City Beautification Efforts.

[INTENTIONALLY LEFT BLANK]

8.21 Public Benefits Program. The Developer shall upon issuance of a Certificate, undertake a public benefits program as described on Exhibit N.

8.22 Use Requirements. The only uses permitted on the Property and the Project shall be financial services operations of the Developer or its affiliated companies along with retail uses as permitted by applicable zoning regulations, the approved Planned Development (and any approved amendment thereof) and the TIF Plan. 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.

8.23 Job Readiness Program. Developer will participate in a Job Readiness Program with the Mayor's Office of Workforce Development for five years following the day of issuance of a Certificate of Completion. Participation will be limited to non-professional, clerical positions that become available on the Property.

8.24 Other Provisions; Developer Actions Allowed. Notwithstanding any other provisions of this Agreement, prior to and after the issuance of the Certificate, the Developer/Owner will be permitted to: 1) transfer shares of ownership among existing owners; 2) bring in other investors to raise the required Equity; and 3) sell the improved Property to an Affiliate of Developer, so long as said Affiliate of Developer agrees to assume all surviving responsibilities and covenants applicable to the Owner/Developer. Regardless of the assumption of responsibilities and covenants by its Affiliate, Developer shall, and hereby agrees to, remain liable for said responsibilities and covenants after said sale or transfer.

For a period of 10 years after issuance of the Certificate, the Developer may not, without the prior written consent of the City, either (i) lease any non-retail portion greater than 10% (or which taken with other such sub-lets exceeds 10%) of the Property or use any portion of the Project for the uses other than the financial services of the Developer or its affiliated companies; or (ii) sell, transfer, convey, lease or otherwise dispose of all or any portion of the Property (except as allowed by the first paragraph of this Section 8.24). Notwithstanding anything herein to the contrary, the Developer may lease any portion of the retail space to any tenant provided such use is permitted pursuant to the applicable zoning regulations.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance

hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY.

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

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer/Owner, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer 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. The Developer agrees for itself and its successors

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

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

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

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

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

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

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

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

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

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

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

- i. At least 25 percent by MBEs.
- ii. At least 5 percent by WBEs.

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

c. Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for

the voluntary use of MBEs or WBEs in its activities and operations other than the Project. Prior to the execution of the Agreement, Developer must submit evidence acceptable to DPD that the general contractor has met at least once with, and provided bid documents, to, applicable MBE/WBE contractor associations.

d. The Developer shall deliver monthly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project. The City will measure Developer's compliance with the MBE and WBE requirements monthly and at the end of construction in actual dollars expended to date based on Exhibit H-2 of this Agreement. If MBE and WBE requirements are not met, the City shall cease to make payments on the City Note until the requirements are met.

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

f. Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago. If Developer seeks to exclude the cost of any activities set forth on Exhibit H-2 from the budget detailed thereon, Developer must provide DPD with a list of those activities (and the estimated cost or each activity) it wishes to exclude. Developer shall not request a waiver for any activity and its associated cost after the earlier of the start of construction or the execution of this Agreement. Regardless, after the earlier of (i) the start of

construction and (ii) the execution of this Agreement, Developer must submit to DPD its construction contracts for review along with its MBE/WBE Utilization Plan (including Schedules C and D) for approval.

g. Prior to the later of the commencement of the Project and the Closing, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan. Prior to Closing, Developer/Owner shall provide DPD with all environmental reports or audits obtained by Developer/Owner with respect to the Site. If Owner/Developer has received, knows of, or should reasonably know of a notice from a government agency regarding environmental issues then Developer or

Owner shall provide DPD with written verification from the appropriate agency that all identified environmental issues have been resolved to said agency's satisfaction.

Without limiting any other provisions hereof, the Developer/Owner agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer/Owner: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer/Owner shall provide and maintain, or cause to be provided, at no expense to the City, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

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

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor shall provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on

the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the

policy retroactive date must coincide with or precede start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

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

(d) Other Requirements

The Developer/Owner will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

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

(e) To the extent permitted by law, the Developer may satisfy all insurance requirements specified above (including insurance coverages required of the General Contractor or any subcontractor) through an owner-controlled insurance program (OCIP). The OCIP shall comply with at least the insurance requirement set forth above. Such OCIP shall be evidenced in a letter or other signed document from the Developer to the City setting forth the information required under Section 5.08 hereof.

SECTION 13. INDEMNIFICATION

Developer/Owner agrees to indemnify, pay, defend and hold each of the City, the City's elected and appointed officials and the employees, agents and affiliates of the City (individually an "Indemnitee," and collectively the "Indemnities"), 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 Indemnities in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto) (collectively referred to as "Claims"), that may be imposed on, suffered, incurred by or asserted against the Indemnities in any manner relating or arising out of:

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

(ii) the Owner/Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the Owner/Developer's failure to cure any misrepresentation of the Owner/Developer 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, Owner/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 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Owner/Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by the Owner/Developer hereunder:

(a) the failure of the Owner/Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under (i) this Agreement and (ii) any other agreement related to the Project; however in the event of said other agreements, only if such failure would have a material, adverse effect on Owner/Developer's ability to perform its obligations under this Agreement;

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Owner/Developer or for the liquidation or reorganization of the Owner/Developer, or alleging that the Owner/Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Owner/Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter

existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Owner/Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Owner/Developer, for any substantial part of the Owner/Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Owner/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 the Owner/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 the Owner/Developer not otherwise approved by the City;

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

For purposes of Section 15.01(j) hereof, a person with a material interest in the Owner/Developer shall be one owning in excess of ten (10%) of the Owner/Developer's issued and outstanding shares of stock.

15.02 Remedies. Upon the occurrence of an Event of Default, the City's sole remedies hereunder are to: (a) cease to make payments of principal and interest due under the City Note, (b) terminate this Agreement and all related agreements, and (c) suspend all disbursements of City Funds for the Project. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure its remedies

hereunder, including but not limited to injunctive relief against the Developer of the agreements contained herein. The City shall also have the right to discontinue all payments due under the City Note if the Developer fails to maintain the 10-year 2,700 full time equivalent job minimum as set forth in Section 8.06 hereof.

Specifically, for any particular year, the Developer will not receive payments of Principal and Interest due under the City Note, nor will interest accrue on the City Note, if the job requirements set forth in Section 8.06, and referred to above, are not in compliance at the end of any said year; however such payments of Principal and Interest are not permanently forfeited and shall be renewed at the end of the next year of compliance subject to the limits herein. Years out of compliance will not count towards the 10-year jobs requirement. Payments on the Note shall only be made in years in which Developer complies with the job requirements. Notwithstanding the above, Developer will be allowed a maximum of 3 years out of compliance before this Agreement terminates.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured, which cure shall in any event be completed within ninety (90) days of Developer's receipt of written notice from the City; provided, further, that there shall be no cure period under this Section 15.03 with respect to the Developer's failure to comply with the job creation/operation requirements of Section 8.06 hereof.

SECTION 16. MORTGAGING OF THE PROJECT; TERMINATION OF AGREEMENT

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 the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith such mortgagee accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer (except those Events of Default which relate to any covenants which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement (except for those Events of Default

which relate to those provisions of this Agreement that are covenants expressly running with the land), in which case (except for those Events of Default relating to provisions of this Agreement that are covenants expressly running with the land) the Developer shall be solely responsible. However, if Owner or such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and this Agreement shall be terminated. A release of this Agreement and any applicable Subordination Agreement in recordable form shall be provided to the Owner or such mortgagee, upon its request, by the City within thirty (30) days of such termination.

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

SECTION 17. NOTICE

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

If to the City: City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

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

If to the Developer: c/o LaSalle Bank Corporation
135 S. LaSalle Street, Suite 925
Chicago, Illinois 60603
Attention: Legal Department

c/o LaSalle Bank Corporation
David Stapleton
First Vice President
135 S. LaSalle Street, Suite 954
Chicago, Illinois 60603

With Copies To: Acosta, Kruse, Raines & Zemenides, LLC
One S. Wacker Drive, Suite 3890
Chicago, Illinois 60606
Attention: Erika L. Kruse

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction 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 the Developer by more than 180 days.

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

No officer or employee of the Developer shall be personally liable to the City in the event of any default or breach by the Developer, or for the performance of any obligation or payment of any amount which may become due to the City from the Developer, respectively, or any successor in interest or on any obligation under the terms of this Agreement.

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any

relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in

writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to [Sections 8.19 [Real Estate Provisions] and 8.25] (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions (including, without limitation, acts of terrorism) beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader

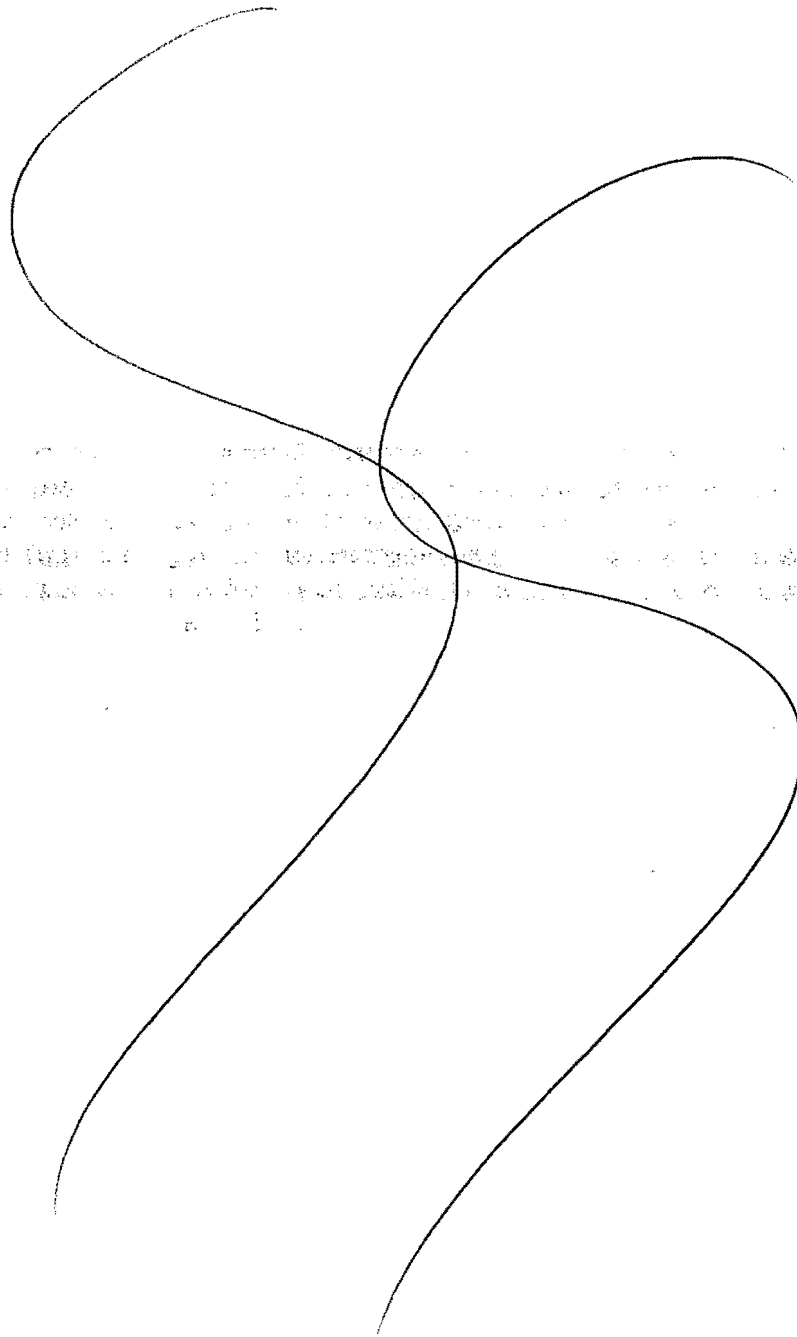
of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its

knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.



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.

LaSalle Street Capital, Inc., a Delaware corporation

By: M. Hill Hammock
M. Hill Hammock

SH

DM

Its: President and Chairman of the Board

CITY OF CHICAGO

By: _____

Commissioner, Department
of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

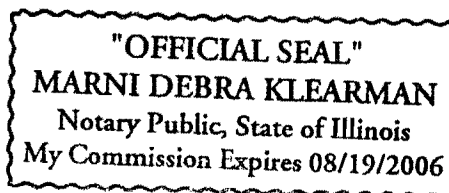
I, Marni Debra Klearman, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that M. Hill Hammock, personally known to me to be the President and Chairman of the Board of LaSalle Street Capital, Inc., a Delaware corporation (the "Developer"), and personally known to 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 [Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28th day of October, 2003.

Marni Debra Klearman
Notary Public

My Commission Expires 8/19/2006

(SEAL)



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.

LaSalle Street Capital, Inc., a Delaware corporation

By: _____
M. Hill Hammock

Its: President and Chairman of the Board

CITY OF CHICAGO

By: *Michael Berg* *MB*

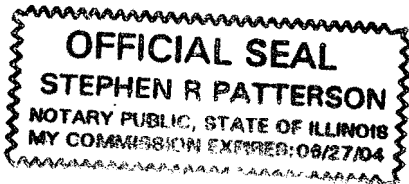
Commissioner, Department
of Planning and Development

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Stephen R. Patterson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Alicia M. Berg, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28 th day of October, 2003.

Stephen R. Patterson
Notary Public

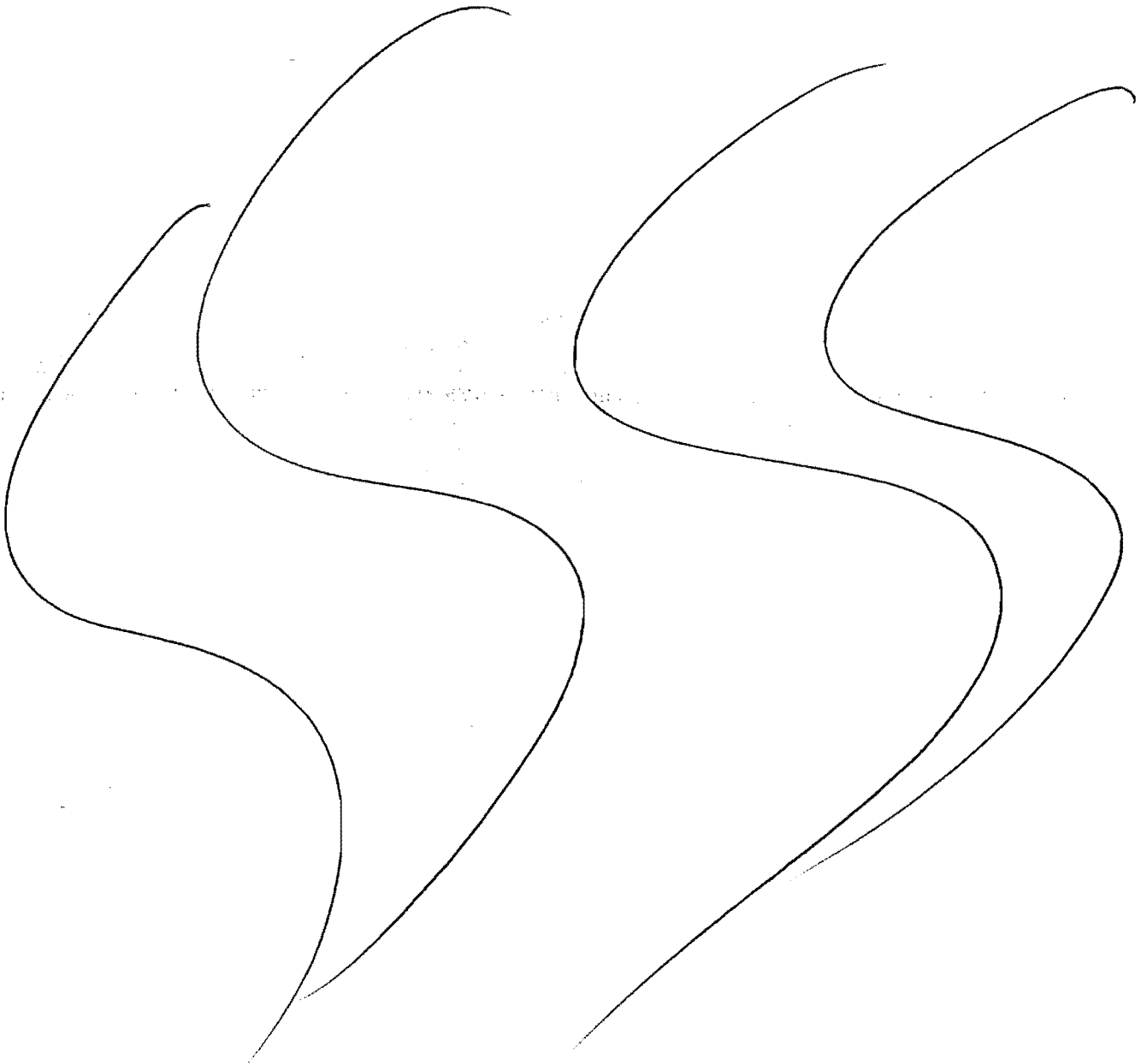


My Commission Expires 6/27/2004

Exhibit A

REDEVELOPMENT AREA

See Next Three Pages



LEGAL DESCRIPTION

1 A TRACT OF LAND COMPRISED OF PARTS OF THE SOUTHEAST QUARTER OF SECTION 5,
2 NORTHEAST QUARTER OF SECTION 8, NORTHWEST QUARTER AND SOUTHWEST QUARTER OF
3 SECTION 9 AND NORTHWEST QUARTER OF SECTION 16, ALL IN TOWNSHIP 39 NORTH, RANGE 14,
4 EAST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

5 BEGINNING AT THE INTERSECTION OF THE EAST LINE OF NORTH CANAL STREET WITH SOUTH LINE
6 OF WEST KINZIE STREET IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 9
7 AFORESAID; THENCE SOUTHWARD ALONG THE EAST LINE OF SAID NORTH CANAL STREET TO THE
8 NORTH LINE OF THE SOUTH 275.06 FEET (MEASURED PERPENDICULARLY) OF BLOCK 50 IN
9 ORIGINAL TOWN OF CHICAGO, ACCORDING TO THE PLAT THEREOF RECORDED MAY 29, 1837;
10 THENCE WESTWARD ALONG SAID LINE EXTENDED EAST AND WEST TO THE EAST LINE OF NORTH
11 CLINTON STREET; THENCE SOUTHWARD ALONG SAID EAST LINE OF NORTH CLINTON STREET TO
12 THE SOUTH LINE OF WEST MADISON STREET IN THE EAST HALF OF SAID NORTHWEST QUARTER
13 OF SECTION 16; THENCE WESTWARD ALONG SAID SOUTH LINE OF WEST MADISON STREET TO THE
14 WEST LINE OF SOUTH JEFFERSON STREET; THENCE NORTHWARD ALONG SAID WEST LINE
15 (EXTENDED SOUTH AND NORTH) OF JEFFERSON STREET TO THE NORTH LINE OF WEST
16 WASHINGTON; THENCE EASTWARD ALONG THE NORTH LINE OF SAID WEST WASHINGTON STREET
17 TO THE WEST LINE OF NORTH CLINTON STREET AFORESAID; THENCE NORTHWARD ALONG SAID
18 WEST LINE OF NORTH CLINTON STREET TO THE SOUTH LINE OF WEST RANDOLPH STREET; THENCE
19 WESTWARD ALONG SAID SOUTH LINE OF WEST RANDOLPH STREET TO THE WEST LINE OF 18 FEET
20 WIDE PUBLIC ALLEY, WEST OF NORTH CLINTON STREET; THENCE NORTH ALONG SAID WEST LINE
21 OF PUBLIC ALLEY TO THE SOUTH LINE OF WEST LAKE STREET; THENCE EASTWARD ALONG THE
22 SOUTH LINE OF SAID WEST LAKE STREET TO THE WEST LINE OF NORTH CLINTON STREET
23 AFORESAID; THENCE NORTHWARD ALONG THE WEST LINE OF SAID NORTH CLINTON STREET TO
24 THE SOUTHERLY RIGHT OF WAY LINE OF METRA (FORMERLY C. M. ST. P & P RAILROAD); THENCE
25 WESTWARD ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE EAST LINE OF NORTH
26 JEFFERSON STREET AFORESAID; THENCE NORTHWARD ALONG SAID EAST LINE OF NORTH
27 JEFFERSON STREET TO THE NORTH LINE OF WEST CARROLL AVENUE AS VACATED PER DOCUMENT
28 NO. 5507201 AND RECORDED OCTOBER 6, 1914; THENCE WESTWARD ALONG SAID NORTH LINE
29 OF VACATED WEST CARROLL AVENUE TO THE WEST LINE OF THE WEST HALF OF THE SAID
30 SOUTHWEST QUARTER OF SECTION 9, ALSO BEING THE CENTER LINE OF NORTH HALSTED
31 AVENUE, SAID POINT IS BELOW THE JOHN F. KENNEDY EXPRESSWAY; THENCE NORTHWARD
32 ALONG THE CENTER LINE OF SAID NORTH HALSTED AVENUE TO THE NORTH LINE (EXTENDED
33 EAST) OF WEST HUBBARD STREET IN THE EAST HALF OF THE NORTHEAST QUARTER OF SAID
34 SECTION 8; THENCE WESTWARD ALONG SAID NORTH LINE (EXTENDED EAST) TO THE WEST LINE
35 OF NORTH HALSTED AVENUE AFORESAID; THENCE NORTHWARD ALONG THE WEST LINE OF SAID
36 NORTH HALSTED AVENUE ACROSS WEST GRAND AVENUE, WEST OHIO STREET AND CONTINUING
37 ALONG SAID WEST LINE OF NORTH HALSTED AVENUE FOLLOWING THE WIDENING ACCORDING
38 TO DOCUMENT NO. 25274905 RECORDED DECEMBER 10, 1979 TO THE SOUTH LINE OF WEST ERIE
39 STREET, SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 1 OF BLOCK 34 IN OGDEN'S
40 ADDITION TO CHICAGO ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 9, 1879 AS
41 DOCUMENT NO. 248024; THENCE WESTWARD ALONG THE SOUTH LINE OF SAID WEST ERIE STREET
42 TO THE WEST LINE (EXTENDED SOUTH) OF LOT 4 OF BLOCK 35 IN OGDEN'S ADDITION TO
43 CHICAGO AFORESAID; THENCE NORTHWARD ALONG THE WEST LINE (EXTENDED SOUTH) OF SAID
44 LOT 4 TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE WESTWARD ALONG THE NORTH
45 LINES OF LOTS 5 AND 6 (EXTENDED WEST) OF SAID OGDEN'S ADDITION TO CHICAGO, TO THE

46 WEST LINE OF NORTH GREEN STREET; THENCE NORTHWARD ALONG THE WEST LINE OF SAID
47 NORTH GREEN STREET TO THE SOUTHERLY RIGHT OF WAY LINE OF C & N.W. RAILROAD
48 COMPANY, SAID POINT BEING 169.396 FEET SOUTH OF NORTHEAST CORNER OF BLOCK 10 IN
49 RIDGELY'S ADDITION TO CHICAGO, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 20,
50 1859 AND RE-RECORDED ON SEPTEMBER 19, 1878 AS DOCUMENT NO. 194914; THENCE WESTWARD
51 ALONG SAID SOUTHERLY RIGHT OF WAY LINE, 36.479 FEET; THENCE NORTHWESTERLY ALONG
52 SOUTHWESTERLY LINE OF SAID C & N. W. RAILROAD COMPANY, 64.86 FEET; THENCE WESTWARD
53 ALONG SOUTH LINE OF SAID C & N. W. RAILROAD COMPANY, 7.61 FEET; THENCE
54 NORTHWESTERLY ALONG SOUTHWESTERLY LINE OF SAID C & N. W. RAILROAD COMPANY, 81.64
55 FEET; THENCE NORTHWARD ALONG WEST LINE OF SAID C. & N. W. RAILROAD COMPANY TO THE
56 CENTER LINE OF WEST HURON STREET; THENCE WESTWARD ALONG SAID CENTER LINE TO THE
57 EAST LINE (EXTENDED NORTH) OF LOT 1 IN BLOCK 11 IN RIDGELY'S ADDITION TO CHICAGO
58 AFORESAID; THENCE SOUTHWARD ALONG SAID EXTENDED LINE TO THE SOUTH LINE OF WEST
59 HURON STREET AFORESAID; THENCE WESTWARD ALONG THE SOUTH LINE OF SAID HURON
60 STREET TO THE EAST LINE (EXTENDED SOUTH) OF LOT 7 OF BLOCK 4 IN SAID RIDGELY'S ADDITION
61 TO CHICAGO; THENCE NORTHWARD ALONG EAST LINE, EXTENDED SOUTH, OF SAID LOT 7 TO
62 THE SOUTH LINE OF WEST SUPERIOR STREET; THENCE WESTWARD ALONG SOUTH LINE OF SAID
63 WEST SUPERIOR STREET TO THE EAST LINE OF NORTH MORGAN STREET; THENCE SOUTHWARD
64 ALONG EAST LINE (EXTENDED SOUTH) OF SAID NORTH MORGAN STREET TO THE SOUTH LINE OF
65 WEST HURON STREET AFORESAID; THENCE WESTWARD ALONG THE SOUTH LINE OF SAID HURON
66 STREET TO THE SOUTHEASTERLY LINE OF NORTH MORGAN STREET; THENCE SOUTHWESTERLY
67 ALONG SAID SOUTHEASTERLY LINE OF NORTH MORGAN STREET TO THE NORTHEASTERLY LINE
68 OF NORTH MILWAUKEE AVENUE; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE
69 OF SAID NORTH MILWAUKEE AVENUE TO THE WEST LINE OF CARPENTER STREET; THENCE
70 NORTHWARD ALONG THE WEST LINE OF SAID NORTH CARPENTER STREET TO THE SOUTH LINE
71 OF 7 FEET WIDE STRIP OF LAND VACATED PER DOCUMENT NO. 21958575 AND RECORDED ON
72 JUNE 29, 1972; THENCE EASTWARD ALONG SAID VACATED LINE, 7 FEET; THENCE NORTHWARD
73 ALONG THE EAST LINE OF SAID VACATED LINE TO THE SOUTH LINE (AS WIDENED) OF WEST
74 CHICAGO AVENUE, SAID SOUTH LINE OF WEST CHICAGO AVENUE BEING 40 FEET SOUTH OF THE
75 NORTH LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 8 AFORESAID, THENCE
76 WESTWARD ALONG THE SOUTH LINE OF SAID WEST CHICAGO AVENUE TO THE WEST LINE
77 (EXTENDED SOUTH) OF 66 FEET WIDE NORTH CARPENTER STREET AFORESAID; THENCE
78 NORTHWARD ALONG THE WEST LINE (EXTENDED SOUTH) OF SAID NORTH CARPENTER STREET TO
79 THE NORTH LINE OF SAID WEST CHICAGO AVENUE; THENCE EASTWARD ALONG NORTH LINE OF
80 SAID WEST CHICAGO AVENUE TO THE EAST LINE OF NORTH SANGAMON STREET; THENCE
81 NORTHWARD ALONG THE EAST LINE OF SAID NORTH SANGAMON STREET TO THE
82 SOUTHWESTERLY RIGHT OF WAY LINE OF C. & N. W. RAILROAD COMPANY; THENCE
83 SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE OF C. & N. W. RAILROAD
84 COMPANY TO THE WEST LINE OF NORTH LESSING STREET; THENCE SOUTHWARD ALONG SAID
85 WEST LINE OF NORTH LESSING STREET TO THE NORTH LINE OF WEST CHICAGO AVENUE; THENCE
86 EASTWARD ACROSS SAID WEST CHICAGO AVENUE TO THE SOUTHWEST CORNER OF LOT 10 IN J.A.
87 YALE'S RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 25, 1873 AS
88 DOCUMENT 94836; THENCE EASTWARD ALONG SOUTH LINE OF LOTS 7, 8, 9 AND 10, SAID LINE
89 ALSO BEING THE NORTH LINE OF WEST CHICAGO AVENUE, TO THE SOUTHEAST CORNER OF SAID
90 LOT 7 IN SAID J.A. YALE'S RESUBDIVISION; THENCE NORTH ALONG EAST LINE OF SAID LOT 7 TO
91 THE NORTHEAST CORNER OF SAID LOT 7, SAID CORNER ALSO BEING ON THE SOUTH LINE OF 16
92 FEET WIDE PUBLIC ALLEY; THENCE WESTWARD ALONG SOUTH LINE (EXTENDED WEST) OF SAID 16
93 FEET WIDE PUBLIC ALLEY TO THE WEST LINE OF NORTH LESSING STREET; THENCE NORTHWARD
94 ALONG THE WEST LINE OF SAID NORTH LESSING STREET TO THE SOUTHWESTERLY RIGHT OF WAY
95 LINE OF C. & N. W. RAILROAD COMPANY (NORTH OF WEST FRY STREET); THENCE SOUTHEASTERLY

96 ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE OF C. & N. W. RAILROAD COMPANY TO THE
97 NORTH LINE OF WEST CHICAGO AVENUE AFORESAID; THENCE EASTWARD ALONG THE NORTH
98 LINE OF SAID WEST CHICAGO AVENUE, CROSSING NORTH HALSTED STREET TO THE EAST LINE OF
99 NORTH HALSTED STREET; THENCE SOUTHWARD ALONG THE EAST LINE OF NORTH HALSTED
100 STREET TO THE SOUTHWESTERLY LINE OF C. & N. W. RAILROAD COMPANY; THENCE
101 SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE OF C. & N. W. RAILROAD COMPANY TO THE
102 EAST LINE OF NORTH DES PLAINES STREET; THENCE SOUTHWARD ALONG EAST LINE OF SAID
103 NORTH DES PLAINES STREET TO THE NORTH LINE OF WEST GRAND AVENUE; THENCE EASTWARD
104 ALONG THE NORTH LINE OF SAID WEST GRAND AVENUE TO THE SOUTHWEST CORNER OF LOT
105 15 IN WABANSIA IN SECTION 9 (ANTE FIRE); THENCE SOUTHWARD ACROSS SAID WEST GRAND
106 AVENUE TO A POINT OF INTERSECTION OF SOUTH LINE OF SAID WEST GRAND AVENUE WITH EAST
107 LINE OF NORTH JEFFERSON STREET; THENCE SOUTH ALONG SAID EAST LINE OF NORTH JEFFERSON
108 STREET, 88.89 FEET; THENCE SOUTHEASTERLY ALONG SOUTHWESTERLY LINE OF PROPERTY
109 HAVING PERMANENT INDEX NO. 17-09-112-018 TO A JOG IN SAID SOUTHWESTERLY LINE; THENCE
110 NORTHEASTERLY ALONG SAID JOG LINE, 11.38 FEET; THENCE SOUTHEASTERLY ALONG
111 SOUTHWESTERLY LINE OF SAID PROPERTY TO THE NORTH LINE OF WEST KINZIE STREET; THENCE
112 EASTWARD ALONG NORTH LINE OF SAID WEST KINZIE STREET TO THE SOUTHWESTERLY LINE OF
113 THE NORTH BRANCH OF THE CHICAGO RIVER; THENCE SOUTHWARD TO THE POINT OF
114 BEGINNING, ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

Exhibit B

PROPERTY

ALL OF THE UNSUBDIVIDED ORIGINAL LOTS, OR PARTS THEREOF, AND ALL OF THE
SUBLOTS IN THE SUBDIVISIONS OF THE ORIGINAL LOTS, OR PARTS THEREOF,
TOGETHER WITH ALL THE VACATED ALLEYS IN BLOCK 49 IN ORIGINAL TOWN OF
CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RAGE 14, EAST OF THE THIRD
PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THOSE PARTS THEREOF TAKEN AND
USED FOR WEST MADISON STREET, IN COOK COUNTY, ILLINOIS.

Exhibit C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Acquisition	\$26,620,000
Site Preparation	3,700,000
TOTAL	\$30,320,000

*Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to costs for acquisition and site preparation as set forth above and in Section 4.01 of this Agreement.

Exhibit D

REDEVELOPMENT PLAN
[SEE ATTACHED]

RIVER WEST
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT

City of Chicago, Illinois

September 20, 2000

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APPENDIX A:

Eligibility Study A-1

APPENDIX B:

Legal Description B-1

APPENDIX C:

1999 Equalized Assessed Value by Tax Parcel C-1

I. INTRODUCTION

This report documents the Tax Increment Redevelopment Plan and Project (the "Redevelopment Plan") for the River West Redevelopment Project Area ("the Project Area"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the City to maintain and revitalize the Project Area as a viable support area for the downtown central business district area (known as the "Loop"). This document is intended to provide a framework for improvements within the Project Area over the next 23 years. The goal of the Redevelopment Plan is to strengthen the employment, industrial and commercial base of the Project Area, through the maintenance and improvement of existing facilities, and redevelopment of existing obsolete and blighted buildings or vacant land for new and expanded uses.

In 2000, the City retained the planning consulting firm of Teska Associates, Inc. ("TAI") along with project team members Mann, Gin, Dubin and Frasier, Inc. (architects), and Valerie S. Kretchmer Associates, Inc. (real estate analysts), to assist the City in the development of a tax increment financing program for the Project Area. TAI and its project team members performed site evaluation and identified necessary public improvements. The consultant team also documented the presence of age, deterioration of structures and surface improvements, presence of structures below minimum code standards, excessive vacancies, lack of community planning, and lag in growth of Equalized Assessed Value ("EAV"). This evidence enabled TAI to conclude in the Eligibility Study attached hereto as Appendix A (the "Eligibility Study") that the Project Area meets the statutory requirements for a Conservation Area and could be designated as a "redevelopment project area" under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act").

TAI has prepared this Redevelopment Plan and the related Eligibility Study with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related Eligibility Study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

Project Area Description

The Project Area is located approximately 1 mile northwest of the heart of the Loop, in the West Town and Near West Side community areas. The Project Area generally encompasses the properties lying along the west side of the Chicago River between Fry Street on the north and Madison Street on the south, excluding areas occupied by Chicago Tribune facilities and the Kinzie Park development. The Project Area extends west to Carpenter Street in the vicinity of Chicago Avenue, and west to Halsted Street south of Erie Street. South of Carroll Street, the Project Area is generally located between Jefferson and Canal Streets (see Figure A).

In general, the Project Area constitutes a part of the outer ring which surrounds the Loop. The health and vitality of the Loop is indirectly attributable to the strength of the immediate vicinity. For example, businesses may be encouraged to locate and expand in the Loop if the surrounding areas contain adequate business services, transportation, potential residences for employees, entertainment venues, etc. Conversely, if the surroundings are deteriorated or blighted, businesses and developers are less inclined to invest nearby. A lack of services and amenities in close proximity would lessen the attractiveness of the Loop. For this reason, the City desires to maintain and strengthen the areas surrounding the Loop, including the Project Area.

Presently, the Project Area is characterized by deterioration of buildings and infrastructure such as roads and sidewalks, underutilization of land and buildings, and an incompatible mix of uses. In general, the southern portion of the Project Area (south of Carroll Street) is underutilized. Surface parking lots and underutilized buildings could be redeveloped with higher intensity commercial uses that would enjoy easy access to the Loop, public transit, and the Kennedy Expressway.

The northern portion of the Project Area (north of Carroll Street) has historically been one of a select set of manufacturing areas within the City of Chicago, and today includes such large employers as the Chicago Tribune, Blommer's Chocolate Company, Effengee Electrical Supply Co., Water Saver Faucet Company, Pickens-Kane, and others. The availability of rail, river, and expressway access have contributed to the success of the area for industrial users. These users provide tax base and local employment for the City in an established location.

However, numerous factors are weakening the solidity of this area as an industrial district. Modern and expanding manufacturing facilities often require larger sites than can be accommodated in a central city location. Often, environmental contamination inhibits redevelopment of those structures and sites which are available. Perhaps most critically, the areas in and around Chicago's Loop are currently enjoying a residential renaissance as thousands of new and returning residents discover the convenience and vibrancy of living downtown. To satisfy the demand for new housing units, developers have begun rehabilitating old industrial buildings and constructing new residential buildings around the Project Area. The inherent incompatibility between new residents and existing industry and commercial businesses can force these industries and commercial businesses out of the area. The rise in land values and property taxes, the incentive to sell to high-bidding residential developers, and the increase in complaints from neighboring residential developments, all work to push industrial and commercial users out.

The City of Chicago has recognized, however, that it is critical to the overall land use balance, and to the employment and tax base of the City, to protect and enhance the remaining industrial areas already in proximity to the Loop. The maintenance of industrial areas near the Loop and the Near North Side are particularly attractive to high tech businesses, who desire locations close to potential employees. More generally, the City recognizes that industrial and commercial businesses provide employment, support secondary job markets, and serve as an incubator for new technologies and industries. The City's industrial land use policy seeks to provide opportunities for synergy between related industrial activities, to minimize the conflicts between industrial, commercial, and other land uses, and to maximize the benefits of public investment in capital programming and related industrial investment.

To this end, the City established the Chicago/Halsted Planned Manufacturing District (PMD) for those areas immediately along the Chicago River between Fry Street and Kinzie Street, excluding the Kinzie Park development between Grand Avenue and Kinzie Street (see Figure B). This proposed Redevelopment Plan is intended to provide the financial mechanism necessary to implement the goals and objectives of that PMD, along with other tools to encourage the appropriate redevelopment of compatible uses on adjacent sites.

The boundaries of the Project Area have been established to carefully include those properties that will gain a direct and substantial benefit from the proposed redevelopment project improvements and Redevelopment Plan. In the northern portion of the Project Area, the boundaries represent a buffer around the PMD area, and properties within this portion of the Project Area will gain from public improvements that reduce conflicts between incompatible uses. In the southern portion of the Project Area, the boundaries have been designed to include properties suitable for redevelopment for which substantial infrastructure, environmental remediation, and/or rehabilitation costs are anticipated.

The Project Area consists of approximately 124 acres within 36 legal blocks or portions thereof. Three hundred and twenty-three tax parcels are included, of which 218 are improved with buildings and 105 are vacant or contain only parking lots. There are 103 buildings in the Project Area, many of which cover more than one tax parcel. Road and alley rights-of-way constitute 48 acres of the Project Area.

The Project Area is zoned largely for manufacturing and commercial uses (predominantly M2-4, M2-5, and M1-3) in the northern portion, while the southern portion includes commercial zoning (C3-5 and Business Planned Development). There are also certain locations which permit residential use (see Figure C).

Mirroring the zoning of the Project Area, the majority of the current land uses are manufacturing and commercial, with some residential uses (see Figure D and Table 1). Most blocks are characterized by a mix of uses, including combinations of retail, office, light industry, and residential uses. Residential uses occur in multi-family buildings, as well as in apartments above ground floor commercial uses. There are no Chicago Public Schools or Chicago Park District facilities in the Project Area. The Salvation Army operates a Men’s Service Center and Thrift Store, which provides shelter and services in proximity to employment in and around the Loop.

Table 1 Existing Land Use by Block

Land Use	Acres	Percent
Industrial	18.7	15.1%
Commercial	9.7	7.8%
Mixed Use (Residential)	1.7	1.4%
Mixed Use (Non-Residential)	3.8	3.1%
Multi-Family Residential	0.9	0.7%
Institutional	1.6	1.3%
Parking	23.6	19.0%
Vacant	2.9	2.3%
Railroad	13.3	10.7%
Other Rights-of-Way	47.9	38.6%
Total	124.1	100.0%

Seven properties in the Project Area have been identified in the Chicago Historical Resources Survey, which is administered by the Landmarks Division of the City Department of Planning and Development (see Table 2). This Redevelopment Plan recognizes the historic importance of these buildings as contributing to the interest and integrity of the Project Area.



Table 2 Historical Resources Survey Properties in the Project Area

Address	Date of Construction	Comments
807 W. Chicago	1910's	
923 W. Chicago	unknown	
936 W. Chicago	1910's	one story former administration building for lumber company
201 N. Clinton	1910's	utility structure (former Northwest Terminal Powerhouse)
515 N. Halsted	1888	multi-story loft
401 N. Milwaukee	1870's	Italianate style mixed use building
509 N. Union	1891	Art Deco style building (occupied by Salvation Army Thrift Store) designed by Furst and Rudolph

Tax Increment Financing

As Section VIII, Findings of Need for Tax Increment Financing, and the Eligibility Study demonstrate, the Project Area has not been subject to growth and development through investment by private enterprise. The Project Area is not reasonably expected to be developed for industrial and commercial purposes consistent with historical use and current City planning objectives without the direct intervention and leadership of the City. The City believes that tax increment financing ("TIF") will be of substantial benefit, by inducing private investment that will arrest and reverse the current weakening of the supportive nature of the Project Area for the Loop.

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and as a guide for public and private development in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The cost of certain public and private improvements and programs can be paid with the revenues generated by increased equalized assessed values of taxable real estate within a designated redevelopment project area ("incremental property taxes"). The key to this financing tool is that it allows for public and private capital investments that are repaid by the incremental property taxes attributable to those capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation generated within the designated project area during the limited term of the redevelopment project.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the incremental property taxes generated within the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved for industrial and commercial uses without the use of such incremental revenues.

The use of TIF to stimulate public and private reinvestment is possible only if authorized by the Act. The ability to use incremental property taxes as a financing source will play a major and decisive role in encouraging private development. In overseeing this Redevelopment Plan, the City will utilize this financing source as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Project (as defined below) will benefit the City, its residents, and all taxing districts by eliminating conditions that could become blighted conditions, improving economic well-being, and improving the community living, working, and learning environment.

The Redevelopment Plan

As evidenced in Redevelopment Plan Section VIII, "Findings of Need for Tax Increment Financing," the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable area, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to blight are eliminated; and
- Within a reasonable time period so that the Project Area may contribute productively to the economic vitality of the City.

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "conservation area" as defined in the Act.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Project, the City may, from time to time: (a) undertake or cause to be undertaken, public improvements and activities; and (b) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels or carry out other activities permitted under the Act (collectively referred to as "Redevelopment Projects").

Successful implementation of this Redevelopment Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened conditions which may lead to blight and which have precluded development of the Project Area by the private sector in accordance with the land use policies of the City.

The use of incremental property taxes will permit the City to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities, and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- A strengthening of the economic vitality of the community, arising from the preservation of a cohesive district which supports the service, business, employment, and other needs of the Loop.
- An increase in construction and long-term employment opportunities for residents of the Project Area and the City.
- The replacement of inappropriate uses, blight, and vacated properties with viable, high-quality developments.
- The elimination of numerous physical impediments within the Project Area, such as roads in poor condition, on a coordinated and timely basis so as to minimize costs and promote comprehensive, area-wide redevelopment.
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sub-grade vaults, sidewalks, street lights, landscaping, etc., intended to make the Project Area more attractive to private investment.
- The provision of job training services to community members which make the Project Area more attractive to investors and employers.
- The creation of opportunities for women and minority businesses to share in the redevelopment of the Project Area.