

Contract Summary Sheet

Contract (PO) Number: 10083

Specification Number: 41201

Name of Contractor: WILSON YARD DEVELOPMENT I LLC

City Department: PLANNING & DEVELOPMENT

Title of Contract: Redevelopment Agreement: 4400 N. Broadway

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

\$27,715,850.00

PO Start Date: 10/18/2005

PO End Date: 12/31/2024

Brief Description of Work: Redevelopment Agreement: 4400 N. Broadway

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 50087242

Submission Date: FEB 02 2006

City

Ordin-

ance

**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
DESIGNATING
WILSON YARD DEVELOPMENT I, LLC AS MASTER DEVELOPER,
AND
AUTHORIZING A REDEVELOPMENT AGREEMENT,
CONVEYANCE OF TWO PARCELS,
ISSUANCE OF FOUR CITY NOTES
AND
PAYMENT OF CERTAIN INCREMENTAL TAXES**

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs;

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City on June 27, 2001 and published at pages 62342 through 62431 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for Wilson Yard Tax Increment Financing Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on June 27, 2001, and published at pages 62433 through 62441 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council on June 27, 2001 and published at pages 62443 through 62451 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, Wilson Yard Development I, LLC, an Illinois limited liability company (the "Master Developer") will acquire, subject to the City's prior acquisition thereof, fee simple title from the City to the parcels located in the Area and legally described on Exhibit A of this ordinance, subject to final title commitment and survey (as identified thereon, the "CTA Parcel" and the "Azusa Parcel" and, collectively, the "City Parcels"), for the consideration set forth in Sections 3.02 and 3.03 of the Redevelopment Agreement attached as Exhibit B to this ordinance; and

WHEREAS, the Master Developer has acquired or will acquire certain other parcels located in the Area, including a parcel owned by Aaron Montrose (the "Montrose Property"), and a parcel owned by Aldi, Inc. (the "Aldi Property"), and will acquire a leasehold interest from the Chicago Transit Authority in another parcel (the "Leasehold Property") (the Montrose Property,

the Aldi Property and the Leasehold Property, together with the City Parcels, are hereinafter collectively referred to as the "Property"; and

WHEREAS, the Master Developer, together with Wilson Yard Partners, L.P., an Illinois limited partnership (the "LIHTC Developer"), Wilson Yard Development Corporation, an Illinois corporation and general partner of the LIHTC Developer (the "General Partner"), and a to-be-named senior housing developer approved by DPD (the "Senior Developer"), intend to perform certain new construction work in order to (a) demolish two buildings; (b) construct a department store of approximately 180,000 square feet; (c) construct a grocery store of approximately 15,150 square feet; (d) construct a movie theater of approximately 53,000 square feet; (e) construct buildings containing approximately 16,000 square feet of small retail and office space; (f) construct approximately 70 rental dwelling units for families with adjusted income of not more than 60% of Chicago area median income; (g) construct approximately 71 rental dwelling units for seniors with adjusted income of not more than 60% of Chicago area median income; and (h) create parking with above-ground garage and surface lots (as described more fully in the Redevelopment Agreement attached hereto as Exhibit B, the "Project"); and

WHEREAS, pursuant to Resolution No. 02-CDC-31 adopted by the Community Development Commission of the City (the "Commission") on April 9, 2002, the Commission published notice of a request for qualifications ("RFQ") for the redevelopment of Wilson Yard located in the Area, requesting submission of qualifications from interested developers; and

WHEREAS, pursuant to Resolution No. 04-CDC-51 adopted by the Commission on July 13, 2004, the Commission approved Holsten Real Estate Development Corporation ("Holsten") as the successful respondent to such RFQ; and

WHEREAS, pursuant to Resolution No. 04-CDC-76 adopted by the Commission on September 14, 2004, the Commission published notice of the City's intention, acting through the Department of Planning and Development ("DPD"), to negotiate a redevelopment agreement with Holsten and the Kenard Corporation or one or more related entities to be formed (which related entity has since been formed as the Master Developer) for the Project, to request alternative proposals for redevelopment of the Property; and

WHEREAS, DPD has published notices, requested alternative proposals for the redevelopment of the Property and purchase of the City Parcels, and provided reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, since no other responsive proposals were received by DPD for the redevelopment of the Property or the purchase of the City Parcels within the allotted time following such publications, pursuant to Resolution 04-CDC-76, the Commission has recommended that the Master Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Master Developer for the Project; and

WHEREAS, the Project is necessary for the redevelopment of the Area; and

WHEREAS, the Project is necessary for the redevelopment of the Area; and

WHEREAS, the Master Developer will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement to be executed by the Master Developer, the LIHTC Developer, the General Partner, the Senior Developer (when identified and approved by DPD), and the City, with such Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Master Developer, together with the LIHTC Developer, the General Partner, and (subject to identification and approval by DPD) the Senior Developer, are hereby collectively designated as the developers for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement among the Master Developer, the LIHTC Developer, the General Partner, the Senior Developer (subject to identification and approval by DPD) and the City, substantially in the form attached hereto as Exhibit B and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement. Such other supporting documents shall include, without limitation, short term leases of the Azusa Parcel to existing and other tenants.

SECTION 4. Subject to acquiring City Parcels, the City is hereby authorized to sell and convey to the Master Developer the City Parcels listed on Exhibit A for the consideration set forth in Sections 3.02 and 3.03 of the Redevelopment Agreement. The City Parcels shall be conveyed to the Master Developer, or its affiliate, subject to the Master Developer's execution of and in accordance with the terms and conditions of the Redevelopment Agreement. The Mayor or his proxy is authorized to execute, and the City Clerk is authorized to attest, a quitclaim deed conveying the City Parcels to the Master Developer.

SECTION 5. The City Council hereby finds that the City is authorized to issue its tax increment allocation revenue obligations in an aggregate maximum principal amount not to exceed \$22,715,850, plus \$5,000,000 of Incremental Taxes for reimbursement of the acquisition costs of the City Parcels as more particularly defined in the Redevelopment Agreement, plus certain additional pay-as-you-go reimbursements identified in Section 4.03 of the Redevelopment Agreement (the "Pay-As-You-Go Obligations"), for the purpose of paying a portion of the eligible redevelopment project costs included within the Project.

SECTION 6. There shall be borrowed for and on behalf of the City an amount not to exceed \$22,715,850 for the payment of a portion of the eligible redevelopment project costs included within the Project. The borrowing shall be evidenced as follows: (i) a note of the City in an amount not to exceed \$13,834,871 (the "City Note #1"); (ii) a note of the City in an amount not to exceed \$1,333,063 (the "City Note #2"); (iii) a note of the City in an amount not to exceed \$6,469,640 (the "City Note #3"); and (iv) a note of the City in an amount not to exceed \$1,078,276 (the "City Note #4"). In addition, supported by a requisition form to the City from the Developer, the City is authorized to pay the Developer from Incremental Taxes an amount up to \$5,000,000 for reimbursement of the acquisition costs of the City Parcels. On or prior to closing, the maximum principal amounts of the Notes may be reallocated among the Notes but shall not exceed an aggregate principal amount of \$22,715,850. The amount to be funded as evidenced by the requisition form is subject to reduction if the City uses existing Incremental Taxes in the Tax Allocation Fund (as defined in Section 12(a) below) to acquire either or both of the City Parcels, which City use is hereby also authorized. The notes shall be issued and each shall be designated "Tax Increment Allocation Revenue Note Wilson Yard Tax Increment Financing Redevelopment Project Area Wilson Yard Project" (each, a "Note," and collectively, the "Notes"). The Notes shall be dated as of the date of delivery thereof, shall bear the date of authentication, shall be in fully registered form, shall be in the denomination of the maximum outstanding principal amount thereof and shall become due and payable as provided therein.

The Notes shall bear interest at fixed interest rates per annum equal to the interest rates set forth in the Redevelopment Agreement and subject to adjustment as set forth in the form of the Notes. Interest on the Notes shall be subject to federal income taxes and shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued and unpaid interest on each Note shall compound on March 1st of each year and thereafter bear interest at the same fixed interest rate that applies to the principal of the Notes.

The principal of and interest on each Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar") (or, at the City's sole election, by wire transfer of funds), payable in lawful money of the United States of America to the persons in whose name such Note is registered at the close of business on the 15th day of the month immediately prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of such Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

The seal of the City shall be affixed to or a facsimile thereof printed on each Note, and each Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on any such Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Each Note shall have thereon a certificate of authentication substantially in the form

and such certificate of authentication upon the Note shall be conclusive evidence that the Note has been authenticated and delivered under this ordinance.

SECTION 7. The City shall cause books (the "Register") for the registration and for the transfer of the Notes (to the extent such transfer is permitted under the Redevelopment Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Notes. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Notes.

Upon surrender for a transfer of any Note authorized under the Redevelopment Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, and for a like aggregate principal amount. The execution by the City of a fully registered Note shall constitute full and due authorization of such Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange any Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the Note nor to transfer or exchange the Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The person in whose name a Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of a Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Note.

SECTION 8. The principal of the Notes shall be subject to determination, reduction and prepayment as provided in the form of the Notes attached to the Redevelopment Agreement as Exhibits E-1, E-2, E-3 and E4 and as provided in the Redevelopment Agreement, including, without limitation, Sections 4.03, 8.05 and 15.02 thereof. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 9. The Registrar shall note on the Payment Schedule attached to each Note the amount of any payment of principal or interest on such Notes, including the amount of any redemption or prepayment, and the amount of any reduction in principal pursuant to the Redevelopment Agreement.

SECTION 10. The Notes shall be prepared in substantially the form attached hereto as Exhibits E-1, E-2, E-3 and E-4 to the Redevelopment Agreement.

SECTION 11. The Notes hereby authorized shall be executed as provided in this ordinance and the Redevelopment Agreement and thereupon be deposited with the Commissioner, and be by said Commissioner delivered to the Master Developer.

SECTION 12. (a) **Special Tax Allocation Fund.** Pursuant to the TIF Ordinance, the City has created a special fund, designated as the Wilson Yard Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund (the "**Tax Allocation Fund**").

The Comptroller of the City is hereby directed to maintain the Tax Allocation Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank which is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area are to be deposited into the Tax Allocation Fund.

(b) **Tax Allocation Fund Subaccount.** There is hereby created within the Tax Allocation Fund a special subaccount to be known as the "Wilson Yard Project Account" (the "**Project Account**"). The City shall designate and deposit into the Project Account an amount (the "**Available Incremental Taxes**") equal to: (i) prior to the issuance of the Phase I Certificate and the Phase II Certificate (as those terms are defined in the Redevelopment Agreement), one hundred percent (100%) of the Incremental Taxes deposited into the Tax Allocation Fund after June 30, 2005; and (ii) during the year in which the later of the Phase I Certificate and the Phase II Certificate is issued and during every year thereafter, an amount of Incremental Taxes that will be sufficient to produce a debt coverage ratio of 1.35:1 at the then current interest rate on the Lender Financing (as that term is defined in the Redevelopment Agreement) secured by the Notes, assuming amortization of the outstanding principal balance of such Lender Financing on a level basis over the period of time between the fifth anniversary of the Closing Date (as that term is defined in the Redevelopment Agreement) and the final maturity date of the Notes. Subject to the terms and conditions of the Redevelopment Agreement, the City shall use the Available Incremental Taxes to make payments with respect to the Notes until the Notes have been fully repaid, and to make payments with respect to the Pay-As-You-Go Obligations. In the event that an event of default under the Redevelopment Agreement entitles the City to permanently terminate further payments of City Funds (as defined in the Redevelopment Agreement) with respect to a Note, the City may in its discretion return the amounts in the Project Account that would otherwise be allocated to the payment of such Note to the Tax Allocation Fund of the City.

(c) **Pledge of Project Account.** The City hereby assigns, pledges and dedicates the

Project Account, together with all amounts on deposit in the Project Account, to the payment of the principal of and interest on the Notes, when due under the terms of the Redevelopment Agreement, and to the payment of the Pay-As-You-Go Obligations, including specifically, but without limitation, Section 4.03 thereof. Upon deposit, the moneys on deposit in the Project Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Project Account. All moneys on deposit in the Project Account shall be used to pay the principal of and interest on the Notes at maturity or upon payment or redemption prior to maturity, in accordance with their terms, and to pay the Pay-As-You-Go Obligations in accordance with the Redevelopment Agreement, which payments from the Project Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the Notes and the Redevelopment Agreement in accordance with their terms (or the termination of the City's obligation to make such payments), the amounts on deposit in the Project Account shall be deposited in the Tax Allocation Fund of the City and the Project Account shall be closed.

SECTION 13. The Notes are special limited obligations of the City, and are payable solely from amounts on deposit in the Project Account and shall be a valid claim of the registered owner thereof only against said sources. The Notes shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner(s) of the Notes shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the Notes.

SECTION 14. Moneys on deposit in the Project Account may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago (the "Municipal Code"). Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on a Note or a Pay-As-You-Go Obligation.

SECTION 15. Upon issuance, each Note shall have an initial principal balance equal to the respective developer's prior expenditures for TIF-Funded Improvements (as such term is defined in the Redevelopment Agreement) (excluding the initial \$5,000,000 payment for acquisition of the City Parcels as described in Section 4.03 of the Redevelopment Agreement), taking into account any prior consideration for such TIF-Funded Improvements in determining the balance of any previously issued Note(s), up to their respective maximum principal amounts. After issuance, the principal amount outstanding under any Note shall be its initial principal balance of such Note, as the same may be increased from time to time in accordance with the terms of the Redevelopment Agreement, plus interest thereon, minus any principal amount and interest paid on the Note and other reductions or adjustments in principal as are provided for in the Redevelopment Agreement.

SECTION 16. The Registrar shall maintain a list of the names and addresses of the registered owners from time to time of the Notes and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 17. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the Notes. All covenants relating to the Notes are enforceable

by the registered owners of the Notes.

SECTION 18. The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 19. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 20. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to impair the security for or payment of the instruments authorized by this ordinance; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for violation of any provision of the Municipal Code.

SECTION 21. This ordinance shall be in full force and effect immediately upon its passage.

Attachments: Exhibit A: City Parcels Legal Description
Exhibit B: Redevelopment Agreement

EXHIBIT A

CITY PARCELS LEGAL DESCRIPTION

LEGAL DESCRIPTION OF AZUSA PARCEL

THAT PART OF THAT NORTHEAST ¼ OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF BROADWAY, 1,124 FEET SOUTHEASTERLY FROM THE SOUTH LINE OF WILSON AVENUE, MEASURED ALONG THE WESTERLY LINE OF BROADWAY; THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 55 FEET; THENCE SOUTHWESTERLY 23.32 FEET TO A POINT 75 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO AND 12 FEET SOUTHERLY FROM THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY MEASURED AT RIGHT ANGLES THERETO; THENCE CONTINUING SOUTHERLY ON A STRAIGHT LINE 30.87 FEET TO A POINT 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO AND 40 FEET SOUTH OF THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY MEASURED AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY ON A LINE PARALLEL WITH AND 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO, 64.03 FEET; THENCE SOUTHERLY ON A STRAIGHT LINE 62.62 FEET TO A POINT 114 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO, AND 47.41 FEET NORTHWESTERLY OF THE NORTH LINE OF MONTROSE AVENUE, MEASURED ON A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY; THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED PARALLEL LINE 47.41 FEET TO NORTH LINE OF MONTROSE AVENUE; THENCE EAST ON THE NORTH LINE OF MONTROSE AVENUE 125.31 FEET, MORE OR LESS TO ITS INTERSECTION WITH THE WESTERLY LINE OF BROADWAY THENCE NORTHWESTERLY ON THE WESTERLY LINE OF BROADWAY 260.43 FEET MORE OR LESS TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 14-17-217-022

LEGAL DESCRIPTION OF CTA PARCEL

See attached

CHICAGO GUARANTEE SURVEY COMPANY
PLAT OF SURVEY

CHICAGO GUARANTEE SURVEY COMPANY
PLAT OF SURVEY
NO. 10 10 10

of

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THAT PART OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 48 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF BROADWAY 124 FEET SOUTHEAST FROM THE SOUTH LINE OF WILSON AVENUE, MEASURED ALONG THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 21 FEET;

THENCE SOUTHWESTERLY 21.52 FEET TO A POINT 21 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, AS MEASURED AT RIGHT ANGLES THERE TO, AND 12 FEET SOUTHWESTERLY FROM THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY, MEASURED AT RIGHT ANGLES THERE TO;

THENCE CONTINUING SOUTHWESTERLY ON A STRAIGHT LINE 26.77 FEET TO A POINT 19 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERE TO;

THENCE SOUTHWESTERLY ALONG A STRAIGHT LINE PARALLEL WITH AND 14 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY MEASURED AT RIGHT ANGLES THERE TO, 64.83 FEET;

THENCE SOUTHWESTERLY ON A STRAIGHT LINE 62.82 FEET TO A POINT 14 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, AS MEASURED AT RIGHT ANGLES THERE TO AND 41.41 FEET NORTHWESTERLY OF THE NORTH LINE OF MONTROSE AVENUE, MEASURED ON A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED PARALLEL LINE 47.41 FEET TO THE NORTH LINE OF MONTROSE AVENUE;

THENCE WEST ON THE NORTH LINE OF MONTROSE AVENUE A DISTANCE OF 277.24 FEET TO A POINT;

THENCE NORTHEASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 123 DEGREES 04 MINUTES 24 SECONDS, FROM EAST TO NORTHEAST, WITH SAID NORTH LINE OF MONTROSE AVENUE, A DISTANCE OF 42.89 FEET TO A POINT;

THENCE CONTINUING NORTHEASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 177 DEGREES 45 MINUTES 23 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 62.14 FEET TO A POINT;

THENCE CONTINUING NORTHEASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 177 DEGREES 45 MINUTES 23 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 24.48 FEET TO A POINT;

THENCE CONTINUING NORTHEASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 177 DEGREES 45 MINUTES 23 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 13.14 FEET TO A POINT;

THENCE EASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 99 DEGREES 11 MINUTES 09 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 21.88 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 91 DEGREES 31 MINUTES 23 SECONDS, FROM WEST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 10.23 FEET TO A POINT;

THENCE EASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 14 DEGREES 53 MINUTES 36 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 15.43 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 89 DEGREES 29 MINUTES 29 SECONDS, FROM WEST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 39.22 FEET TO A POINT;

THENCE NORTHWESTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 173 DEGREES 16 MINUTES 26 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 146.24 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 173 DEGREES 07 MINUTES 26 SECONDS, FROM SOUTHEAST THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 94.63 FEET TO A POINT;

THENCE EAST ALONG A STRAIGHT LINE WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 79 DEGREES 37 MINUTES 46 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, SAID LINE BEING ALSO 145 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF WEST WILSON AVENUE, A DISTANCE OF 15.87 FEET TO A POINT ON A LINE, SAID LINE BEING DEFINED AS HAVING A NORTHERLY TERMINUS ON THE SOUTH LINE OF WEST WILSON AVENUE 29.72 FEET WEST OF THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE, AND A SOUTHERLY TERMINUS AT A POINT DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE;

THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF BROADWAY 465 FEET;

THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, 85 FEET;

THENCE NORTHWESTERLY ON A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, 94 FEET;

THENCE SOUTHWESTERLY ON A COURSE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 4.11 FEET TO THE SOUTHERLY TERMINUS OF SAID LINE;

THENCE SOUTHERLY ALONG SAID LINE DEFINED AS HAVING A NORTHERLY TERMINUS ON THE SOUTH LINE OF WEST WILSON AVENUE 18.72 FEET WEST OF THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE AND A SOUTHERLY TERMINUS AT A POINT DEFINED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE;

THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF BROADWAY 465 FEET;

THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, 85 FEET;

THENCE NORTHWESTERLY ON A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, 94 FEET;

THENCE SOUTHWESTERLY ON A COURSE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 4.11 FEET TO THE SOUTHERLY TERMINUS OF SAID LINE, SAID POINT BEING ALSO THE SOUTHERLY TERMINUS OF THE ABOVE DESCRIBED LINE;

THENCE EASTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 4.11 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 94 FEET TO A POINT;

THENCE NORTHEASTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 85 FEET TO A POINT ON THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF BROADWAY, A DISTANCE OF 19 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 75.00 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 23.00 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 23.00 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 95 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 200.00 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 3.00 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 100 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 499.00 FEET TO A POINT;

THENCE NORTHEASTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 100.00 FEET TO A POINT ON THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF BROADWAY, A DISTANCE OF 34.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

CONTAINING 144,399 SQUARE FEET (3.2741 ACRES) OF LAND MORE OR LESS.

EXHIBIT

EXHIBIT B

REDEVELOPMENT AGREEMENT

See attached

RDA

[leave blank 3" x 5" space for recorder's office]

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

WILSON YARD REDEVELOPMENT PROJECT AREA REDEVELOPMENT AGREEMENT

This Wilson Yard Redevelopment Project Area Redevelopment Agreement (the "Agreement") is made as of this 30th day of November, 2005, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Wilson Yard Development I LLC, an Illinois limited liability company (the "Master Developer"), Wilson Yard Partners, LP, an Illinois limited partnership (the "LIHTC Developer"), Wilson Yard Development Corporation, an Illinois corporation (the "LIHTC General Partner"), Wilson Yard Senior Housing, L.P., an Illinois limited partnership (the "Senior Developer"), and Wilson Yard Senior Development Corporation, an Illinois corporation (the "Senior Developer General Partner").

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 June 27, 2001: (1) "Approval of Wilson Yard Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project;" (2) "Designation of Wilson Yard Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act;" and (3) "Adoption of Tax Increment Allocation Financing for the Wilson Yard Redevelopment Project Area" (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described on Exhibit A hereto.

D. The Project: The Developers will complete their respective portions of the Project (as defined below) within the time frames set forth in Section 3.01 hereof, which shall include demolition of two buildings and construction of the Phase I Improvements, the Phase II Improvements, and the Phase III Improvements (as defined below), which include a department store of approximately 180,000 square feet, a grocery store of approximately 15,150 square feet, a movie theater of approximately 53,000 square feet, buildings containing senior housing, low-income housing, small retail and office space, and parking (above-ground garage and surface lots) for approximately 700 cars on the Property (as defined below). Such improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit B), together with the Developer's other obligations under this Agreement, are collectively referred to herein as the "Project." The "Project" also includes (1) the City's acquisition from the CTA of the land legally described on Exhibit C-1 hereto (the "CTA Property") and the sale of the CTA Property to the Master Developer, (2) the City's acquisition from Broadway Montrose Building LLC (the "Azusa Property Owner") of the land legally described on Exhibit C-2 hereto (the "Azusa Property") and the sale of the Azusa Property to the Master Developer, (3) the Master Developer's acquisition from Aaron Montrose of the land legally described on Exhibit C-3 hereto (the "Montrose Property"), (4) the Master Developer's acquisition from Aldi, Inc. of the land legally described on Exhibit C-4 hereto (the "Aldi Property"), and (5) the Master Developer's acquisition from the CTA of a leasehold interest or an easement in the land depicted on Exhibit C-5 hereto (the "Excess Parking Property"). The completion of the Project would not reasonably be anticipated without the financing contemplated by this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Wilson Yard Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to make available, in the amounts set forth in Section 4.03 hereof, and pursuant to the terms of the City Notes (as defined below), the proceeds of the City Notes (including interest thereon) and certain additional Incremental Taxes (defined below) as described herein, to finance a portion of the costs of the Project to pay for or reimburse the Developers for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. The City has agreed to issue the City Notes in consideration of the

Developers' incurring the costs of the TIF-Funded Improvements and the other costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to the 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 Incremental Taxes (including any such payment made pursuant to any City Note), to make payments of principal and interest on any City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

"Anchor Site End Users" shall have the meaning set forth in Section 8.06(b) hereof.

"Available Incremental Taxes" shall mean an amount equal Incremental Taxes deposited in such year in the Wilson Yard TIF Fund that will be sufficient to cover the debt service (including, without limitation, all interest required to be deposited in the Escrow Account established and maintained pursuant to the Pledge Agreement) at the then current interest rate on the Lender Financing secured by the City Notes or is sufficient to repay the City Notes by their maturity.

"Certificate" shall mean any of the Phase I Certificate, Phase II Certificate or Phase III Certificate.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budgets as described in Section 3.04, Section 3.05 and Section 3.06.

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

"City Note #1" shall mean the City of Chicago Tax Increment Allocation Revenue Note #1 (Wilson Yard Redevelopment Project) to be in the form attached hereto as Exhibit E-1, in the initial maximum principal amount of \$14,519,608, subject to adjustment as set forth in Section 4.01, to be issued by the City to the Master Developer on the date hereof. The City Note

#1 shall bear interest at an annual rate not to exceed the Maximum Interest Rate and shall provide for accrued but unpaid interest to be added to principal. The maximum amount of the City Note #1 is subject to ratable reduction in accordance with Section 3.02(a)(ii).

"City Note #2" shall mean the City of Chicago Tax Increment Allocation Revenue Note #2 (Wilson Yard Redevelopment Project) to be in the form attached hereto as Exhibit E-2, in the maximum principal amount of \$4,082,620, subject to adjustment as set forth in Section 4.01, to be issued by the City to the LIHTC General Partner on the date hereof. The City Note #2 shall bear interest at an annual rate not to exceed the Maximum Interest Rate and shall provide for accrued but unpaid interest to be added to principal.

"City Note #3" shall mean the City of Chicago Tax Increment Allocation Revenue Note #3 (Wilson Yard Redevelopment Project) to be in the form attached hereto as Exhibit E-3, in the maximum principal amount of \$4,500,200, subject to adjustment as set forth in Section 4.01, to be issued by the City to the LIHTC General Partner on the date hereof. The City Note #3 shall bear interest at an annual rate not to exceed the Maximum Interest Rate and shall provide for accrued but unpaid interest to be added to principal.

"City Note #4" shall mean the City of Chicago Tax Increment Allocation Revenue Note #4 (Wilson Yard Redevelopment Project) to be in the form attached hereto as Exhibit E-4, in the maximum principal amount of \$6,625,848, subject to adjustment as set forth in Section 4.01, to be issued by the City to the Senior Developer General Partner on the date hereof. The City Note #4 shall bear interest at an annual rate not to exceed the Maximum Interest Rate and shall provide for accrued but unpaid interest to be added to principal.

"City Note #5" shall mean the City of Chicago Tax Increment Allocation Revenue Note #5 (Wilson Yard Redevelopment Project) to be in the form attached hereto as Exhibit E-5, in the maximum principal amount of \$837,037, subject to adjustment as set forth in Section 4.01, to be issued by the City to the Senior Developer General Partner on the date hereof. The City Note #5 shall bear interest at an annual rate not to exceed the Maximum Interest Rate and shall provide for accrued but unpaid interest to be added to principal.

"City Notes" shall mean, collectively, the City Note #1, the City Note #2, the City Note #3, the City Note #4 and the City Note #5. The maximum principal amount of the City Notes in the aggregate shall be \$30,565,313.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto and, subject to the terms and conditions herein contained, the execution of the City Notes by the City and delivery thereof to the Developer.

"Commissioner" shall mean the Commissioner of the Department of Planning and Development of the City.

"Construction Contract" shall mean and refer to each of those certain contracts, substantially in the form attached hereto as Exhibit F-1, to be entered into, severally, between the Master Developer, the LIHTC Developer and the Senior Developer with the contractors to be engaged by such Developers providing for construction of, respectively, the Phase I

Improvements, the Phase II Improvements and the Phase III Improvements, which contracts shall be subject to DPD's reasonable review and approval.

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

"CTA" shall mean the Chicago Transit Authority.

"Developer" shall mean any one of the Master Developer, the LIHTC Developer, the LIHTC General Partner and the Senior Developer; "Developers" shall mean, collectively, the Master Developer, the LIHTC Developer, the LIHTC General Partner, the Senior Developer and the Senior Developer General Partner.

"DPD" shall mean the Department of Planning and Development of the City.

"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, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Equity" shall mean funds of the Developers or their respective constituent members (other than funds derived from Lender Financing) 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 applicable construction escrow established pursuant to any applicable Escrow Agreement.

"Escrow Agreement" shall mean each Escrow Agreement establishing a construction escrow, entered into by the Title Company (or an affiliate of the Title Company), the Developers and the Developers' lender(s), in form and content reasonably acceptable to DPD.

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

"Financial Statements" shall mean complete certified (by a duly authorized representative of Developers) and renewed financial statements of each of the Developers prepared by a

certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall mean a general contractor to be designated by the Master Developer, subject to the review and approval of DPD.

"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.

"Improvements" shall mean, collectively, the Phase I Improvements, the Phase II Improvements and the Phase III Improvements.

"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 a special tax allocation fund, being the Wilson Yard TIF Fund, established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Jobs Readiness Program" shall have the meaning ascribed to such term in Section 4.07 hereof.

"Lender Financing" shall mean funds borrowed by the Developers or their respective constituent members from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Maximum Interest Rate" shall mean: (a) prior to the closing of the construction financing, a floating rate equal to the rate announced by Bridgeview Bank Group from time to time as its prime or base rate plus one-half of one percent (0.50%); (b) as of the date of the closing of the construction financing and prior to issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate, a rate per annum equal to the prime interest rate as reported in the Wall Street Journal on the date one week prior to the closing of the construction financing plus 345 basis points (the "Initial Interest Rate"); (c) as of the date of issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate and prior to the fifth anniversary of the Closing Date, a rate per annum equal to the Initial Interest Rate less 43 basis points; and (d) thereafter, the Initial Interest Rate plus 257 basis points.

"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.

"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.

"Payment Form" shall mean the document, in the form attached hereto as Exhibit I, to be delivered by the Developer to DPD pursuant to Section 4.04 hereof.

"PD Ordinance" shall mean the Residential Business Planned Development that governs the Property, approved by the City Council on January 11, 2005, as the same may be amended from time to time.

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

"Phase I Certificate" shall mean the Certificate of Completion of Construction for the Phase I Improvements described in Section 7.01 hereof.

"Phase II Certificate" shall mean the Certificate of Completion of Construction for the Phase II Improvements described in Section 7.01 hereof.

"Phase III Certificate" shall mean the Certificate of Completion of Construction for the Phase III Improvements described in Section 7.01 hereof.

"Phase I Improvements" shall mean the Master Developer's construction of (a) building "1," which will include a department store, movie theaters, and a 700-space parking garage, (b) building "2," formerly known as the Azusa Building, which will include approximately 16,000 square feet of restaurants and retail stores, (c) building "5," which will be the relocated grocery store, (d) construction and dedication as a public right of way (and the City's acceptance of such dedication) of an extension of West Sunnyside Avenue and an alley extending from West Sunnyside Avenue to Montrose Avenue, and (e) the additional work and improvements identified in the column entitled "Phase I Structures" on the Project Budget attached hereto as Exhibit J-1 and depicted in the site plan attached thereto as Schedule 1, and any necessary acquisitions, dedications, vacations, demolition, site preparation and environmental remediation required in connection therewith. In connection with the undertaking of the Phase I Improvements, the Master Developer will incorporate design elements which reflect the character of the existing terra cotta façade of the Azusa Building, which may include: restoration of the current façade, use of materials similar in appearance to the existing terra cotta façade, and/or incorporation of original medallions and other elements from the existing façade, all as Developer may determine to be commercially feasible (including appropriateness of the cost thereof) in Developer's reasonable opinion.

"Phase II Improvements" shall mean the LIHTC Developer's construction of (a) building "3," which will include approximately 78 affordable rental dwelling units for families, and (b) the additional work and improvements identified in the column entitled "Phase II Structures" on the Project Budget attached hereto as Exhibit J-1 and depicted in the site plan attached thereto as Schedule 1, and any necessary acquisitions, dedications, vacations, demolition, site preparation and environmental remediation required in connection therewith, provided that the Master Developer may propose, and the Commissioner shall have the authority to approve, changes in uses and in the number and composition of dwelling units included in the Phase II Improvements, in accordance with the Change Order provisions set forth in Section 3.06 hereof;

provided, any such changes also must include appropriate changes to the Plans and Specifications and the Project Budget.

"Phase III Improvements" shall mean the Senior Developer's construction of (a) building "4," which will include approximately 100 affordable rental dwelling units for seniors, and (b) the additional work and improvements identified in the column entitled "Phase III Structures" on the Project Budget attached hereto as Exhibit J-1 and depicted in the site plan attached thereto as Schedule 1, and any necessary acquisitions, dedications, vacations, demolition, site preparation and environmental remediation required in connection therewith. The Master Developer may propose, and the Commissioner shall have the authority to approve, changes in the proposed uses and design of improvements (including changes in the number and composition of dwelling units) included in the Phase III Improvements, in accordance with the Change Order provisions set forth in Section 3.06 hereof; provided, any such changes also must include appropriate changes to the Plans and Specifications and the Project Budget.

"Phase I Project Budget" shall mean the budget attached hereto as Exhibit J-1, showing the total cost of the Phase I Improvements by line item, furnished by the Master Developer to DPD, in accordance with Section 3.06 hereof.

"Phase II Project Budget" shall mean the budget attached hereto as Exhibit J-2, showing the total cost of the Phase II Improvements by line item, furnished by the LIHTC Developer to DPD, in accordance with Section 3.06 hereof.

"Phase III Project Budget" shall mean the budget attached hereto as Exhibit J-3, showing the total cost of the Phase III Improvements by line item, furnished by the Senior Developer to DPD, in accordance with Section 3.06 hereof.

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

"Pledge Agreement" shall mean that certain Pledge Agreement, in substantially the form attached hereto as Exhibit P as such form may be further negotiated by DPD and Corporation Counsel, to be entered into by and among the City, the Developers and the Master Developer's construction lender.

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

"Project Budgets" shall mean, collectively, the Phase I Project Budget, the Phase II Project Budget and the Phase III Project Budget.

"Property" shall mean the property legally described in Exhibit G-1. The Property is depicted on Exhibit G-2.

"Redevelopment Plan" shall mean the Wilson Yard Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project attached as Exhibit D hereto.

"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 Plan or otherwise referenced in the Plan.

"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 land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the phases of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

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

"TIF-Funded Improvements" shall mean those improvements of the Project, the costs of which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Plan and (iii) the City has agreed to reimburse Developers for pursuant to the City Notes, subject to the terms of this Agreement.

"Title Company" shall mean Greater Illinois Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developers as the insureds, 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.

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

SECTION 3. THE PROJECT

3.01 The Project. Subject to Section 18.17 hereof, and pursuant to the Plans and Specifications: (i) the Master Developer shall complete construction of the Phase I Improvements no later than September 30, 2008; and (ii) the LIHTC Developer and the LIHTC General Partner shall complete construction of the Phase II Improvements no later than September 30, 2008; and (iii) the Senior Developer and the Senior Developer General Partner shall complete construction of the Phase III Improvements no later than September 30, 2008.

3.02 Azusa Property.

(a) Acquisition of Azusa Property. The following provisions shall apply to the City's acquisition of the Azusa Property:

(i) Acknowledgment. The Developers acknowledge that the City has undertaken the acquisition of Azusa Property pursuant to the Redevelopment Plan and as authorized and approved by the City Council.

(ii) Agreement. The City has acquired the Azusa Property from the Azusa Property Owner for total consideration of \$2,350,000 and agrees to sell the Azusa Property to the Master Developer for such sum for inclusion in the Project. The City used Two Million Three Hundred Fifty Thousand Dollars (\$2,350,000) of Incremental Taxes then on deposit in the Wilson Yard TIF Fund to acquire the Azusa Property on the Master Developer's behalf. If the sum of the Incremental Taxes used to acquire the Azusa Property, plus the Incremental Taxes then on deposit in the Wilson Yard TIF Fund and used to acquire the CTA Property exceeds \$5,000,000, the Master Developer's share of the City Funds and the maximum amount of the City Note #1 will be ratably reduced by such excess amount.

(b) Conveyance of Azusa Property. The following provisions shall govern the City's conveyance of the Azusa Property to the Master Developer:

(i) Form of Quitclaim Deed. The City shall convey to the Master Developer or to another of the Developers, as directed by the Master Developer, title to the Azusa Property by a quitclaim deed. The conveyance and title shall, in addition to the provisions of this Agreement, be subject to:

- (A) the Redevelopment Plan;
- (B) the standard exceptions in an ALTA insurance policy;
- (C) all general real estate taxes;
- (D) easements, encroachments, covenants and restrictions of record and not shown of record; and
- (E) such other title defects as may exist.

(ii) The Azusa Property Closing. The Azusa Property closing shall take place on such date and at such place as the parties may mutually agree to in writing, but in no event earlier than the Closing Date.

(iii) Recordation of Quitclaim Deed. The Master Developer shall promptly record the quitclaim deed for the Azusa Property in the Recorder's Office of Cook County. The Master Developer shall pay all costs for so recording the quitclaim deed.

(iv) Escrow. In the event that the Master Developer requires conveyance through an escrow, the Master Developer shall pay all escrow fees.

3.03 CTA Property.

(a) Acquisition of CTA Property. The following provisions shall apply to the City's acquisition of the CTA Property:

(i) Acknowledgment. The Developers acknowledge that the City will undertake the acquisition of CTA Property pursuant to the Redevelopment Plan and as authorized and approved by the City Council.

(ii) Agreement. The City agrees to acquire the CTA Property from the CTA for total consideration of \$6,600,000 and to sell the CTA Property to the Master Developer for such sum for inclusion in the Project. Subject to the ratable reduction in City Note #1 described in Section 3.02(a)(ii), the City shall use up to Two Million Six Hundred Fifty Thousand Dollars (\$2,650,000) of Incremental Taxes then on deposit in the Wilson Yard TIF Fund to acquire the CTA Property on the Master Developer's behalf. The Master Developer shall advance to the City the remainder of the cash consideration to acquire the CTA Property. The City's acquisition of the CTA Property and the payment of the consideration to the CTA shall be further governed by the terms of that certain Intergovernmental Agreement between the City and the CTA dated March 16, 2005.

(b) Conveyance of CTA Property. The following provisions shall govern the City's conveyance of the CTA Property to the Master Developer:

(i) Form of Quitclaim Deed. The City shall convey to the Master Developer or to another of the Developers, as directed by the Master Developer, title to the CTA Property by a quitclaim deed. The conveyance and title shall, in addition to the provisions of this Agreement, be subject to:

- (A) the Redevelopment Plan;
- (B) the standard exceptions in an ALTA insurance policy;
- (C) all general real estate taxes;
- (D) easements, encroachments, covenants and restrictions of record and not shown of record; and

(E) any rights granted to the CTA's predecessor, Chicago Rapid Transit Company, in the Trustee's Deed, dated March 26, 1947 and recorded as Document No. 14023863 with the Cook County Recorder of Deeds and reserved by the CTA in its deed to the City for the CTA Property, if any; and

(F) such other title defects as may exist.

(ii) The CTA Property Closing. The CTA Property closing shall take place on such date and at such place as the parties may mutually agree to in writing.

(iii) Recordation of Quitclaim Deed. The Master Developer shall promptly record the quitclaim deed for the CTA Property in the Recorder's Office of Cook County. The Master Developer shall pay all costs for so recording the quitclaim deed, but in no event earlier than the Closing Date.

(iv) Escrow. In the event that the Master Developer requires conveyance through an escrow, the Master Developer shall pay all escrow fees.

3.04 Scope Drawings and Plans and Specifications.

(a) Preliminary Approval. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and all applicable federal, state and local laws, ordinances and regulations, all as approved as part of the PD Ordinance. No later than five (5) business days after the Plans and Specifications for the Phase I Improvements become available to the Master Developer, the Master Developer shall deliver such Plans and Specifications to DPD for its review and written approval. No later than five (5) business days after the Plans and Specifications for the Phase II Improvements become available to the LIHTC Developer, the LIHTC Developer shall deliver such Plans and Specifications to DPD for its review and written approval. No later than five (5) business days after the Plans and Specifications for the Phase III Improvements become available to the Senior Developer, the Senior Developer shall deliver such Plans and Specifications to DPD for its review and written approval. The Developers shall simultaneously submit all such documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for such phase of the Project.

(b) Revisions. In the event DPD rejects all or any portion of any Plans and Specifications as initially presented pursuant to Section 3.04(a), the respective Developer shall have thirty (30) business days from the date such Developer is notified of such rejection to submit revised or corrected documents to DPD for DPD's written approval. After the initial approval, subsequent proposed changes shall be submitted to DPD as a Change Order pursuant to Section 3.06 hereof. In connection with or prior to the issuance of any Certificate hereunder, the respective Developer shall deliver to DPD a set of final Plans and Specifications for such phase of the Project as issued for the Developer's application for a building permit.

3.05 Project Budgets.

(a) Phase I Project Budget. The Master Developer has furnished to DPD, and DPD has approved, a Phase I Project Budget showing total costs for the Phase I Improvements in an amount not less than Eighty Five Million Four Hundred Sixty Three Thousand Two Hundred Four Dollars (\$85,463,204). The Master Developer hereby certifies to the City that (a) it has commitments (in a form acceptable to DPD) for Lender Financing and Equity in an amount sufficient to pay for all costs of the Phase I Improvements, other than costs of acquisition of the Property not to exceed \$5,000,000; and (b) the Phase I Project Budget is true, correct and complete in all material respects. The Master Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase I Project Budget for approval pursuant to Section 3.06 hereof.

(b) Phase II Project Budget. The LIHTC Developer has furnished to DPD, and DPD has approved the Phase II Project Budget showing total costs for the Phase II Improvements in an amount not less than Twenty Two Million Nine Hundred Thirty One Thousand Four Hundred Thirteen Dollars (\$22,931,413). The LIHTC Developer hereby certifies to the City that (a) it has commitments (in a form acceptable to DPD) for Lender Financing and Equity in an amount sufficient to pay for all costs of the Phase II Improvements; and (b) the Phase II Project Budget is true, correct and complete in all material respects. The LIHTC Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase II Project Budget for approval pursuant to Section 3.06 hereof.

(c) Phase III Project Budget. The Senior Developer has furnished to DPD, and DPD has approved the Phase III Project Budget showing total costs for the Phase III Improvements in an amount not less than Twenty One Million Eight Hundred Seventy Eight Thousand Four Hundred Twenty Dollars (\$21,878,420). The Senior Developer shall certify to the City that (a) it has commitments (in a form acceptable to DPD) for Lender Financing and Equity in an amount sufficient to pay for all costs of the Phase III Improvements; and (b) the Phase III Project Budget is true, correct and complete in all material respects. The Senior Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase III Project Budget for approval pursuant to Section 3.06 hereof.

3.06 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 delivered by the respective Developer to DPD concurrently with the progress reports described in Section 3.09 hereof; provided, that any Change Orders that would authorize or cause any of the following to occur must be submitted by the respective Developer to DPD for DPD's prior written approval: (a) a reduction in the total square footage of a phase of the Project by more than 5%, (b) a change of the proposed uses of a phase the Project, (c) an increase in any Project Budget by more than 10%, or (d) an extension in the construction schedule of any phase of more than 6 months. No Developer shall authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by such Developer of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor in excess of \$500,000 shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Available

Incremental Taxes or proceeds of any City Note or provide any other additional assistance to a Developer.

3.07 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.

3.08 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developers' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. No Developer shall commence construction of a phase of the Project until such 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, to the extent required, proof of the General Contractor's and each subcontractor's bonding.

3.09 Progress Reports and Survey Updates. Each Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including revised completion dates if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.06). The Developer shall provide three (3) copies of an updated Survey to DPD if the same is required by any lender providing Lender Financing, reflecting improvements made to the applicable portion of the Property.

3.10 Inspecting Agent or Architect. An independent agent or architect (other than any Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developers' expense, for the Project. DPD hereby approves the inspecting architect selected by the Master Developer's construction lender.

3.11 Barricades. Prior to commencing any construction requiring barricades, the Master 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.

3.12 Signs and Public Relations. The Master 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 Developers, the Property and the Project in the City's promotional literature and communications.

3.13 Utility Connections. The Developers 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 Developers first comply with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.14 Permit Fees. In connection with the Project, the Developers 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 \$130,273,036, to be applied in the manner set forth in the Project Budgets. Such costs shall be funded from the following sources:

City Funds	\$ 35,565,313* † # +
Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 81,058,285
Lender Financing	<u>\$ 13,649,438</u>
ESTIMATED TOTAL	\$ 130,273,036

* Because only \$5,000,000 of the City Funds will be paid prior to the issuance of the Phase I Certificate, such amounts over \$5,000,000 must be initially financed with additional Equity or Lender Financing.

† Because the maximum amount of environmental remediation costs are not known at this time, the maximum amount of City Funds may increase above the current estimate in accordance with Section 4.03(a) below.

Prior to the Closing Date (and afterwards solely with the prior written consent of DPD), the maximum principal amount of each of the City Notes may be adjusted and reallocated as among the City Notes provided that the total maximum principal amount of the City Notes in the aggregate shall not exceed \$30,565,313.

+ The maximum principal amount of the City Note #1 shall be reduced dollar-for-dollar to the extent that certain of the infrastructure improvements included in Phase I Improvements are actually undertaken by the Chicago Department of Transportation.

The Developers shall have the right to re-allocate line items in the sources of funds between the aforesaid Equity and Lender Financing, provided that the Developers shall, at all times, have sufficient funds to complete construction of the Project and to advance all Project costs in connection therewith.

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all costs for the Project, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements, other than costs of acquisition of the Property not to exceed \$5,000,000 which shall be paid from Incremental Taxes then on deposit in the Wilson Yard TIF Fund.

4.03 City Funds.

(a) Uses of City Funds. City Funds may be used to reimburse the Developers for costs of, or to directly pay the costs of, TIF-Funded Improvements only that constitute Redevelopment Project Costs. Exhibit B sets forth, by line item, the TIF-Funded Improvements for the Project, 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. The environmental remediation costs set forth on Exhibit B are a current estimate, but the actual total costs for environmental remediation may exceed such estimate. The maximum amount of City Funds as set forth in Section 2 shall be increased to the extent that the actual costs for environmental remediation of the Property exceeds the current estimate, subject to the reasonable review and approval of any such increase by DPD and such excess amounts shall be paid on a pay-as-you-go basis from Incremental Taxes available in the Wilson Yard TIF Fund after current annual payments of principal and interest then due on the City Notes have been made. In addition, the City Funds may be used to pay the costs of (i) interest as permitted by the TIF Act related to Lender Financing for the Phase I Improvements; (ii) an amount not to exceed \$75,000 annually as permitted by the TIF Act for job training, day care and other costs for residents of the Phase II Improvements and Phase III Improvements; and (iii) annual payments for costs related to the acquisition of an interest in the Excess Parking Property to the extent permitted by the TIF Act in the determination of Corporation Counsel; provided, however, that such additional funds shall be paid on a pay-as-you-go basis from Available Incremental Taxes after current annual payments of principal and interest then due on the City Notes have been made.

Notwithstanding the obligation to reimburse the Master Developer on a pay-as-you-go basis as set forth in this Section 4.03(a), the maximum amount of City Funds shall be reduced as follows for each phase of the Project: on a \$0.75-for-\$1 basis to the extent that the actual costs of the Improvements for that phase (excluding, with respect to Phase I, the costs of the Phase I Improvements comprising the Anchor Site End Users portion of the Property) are less than the budgeted costs of the Improvements as set forth in Project Budget for such phase; and on a dollar-for-dollar basis to the extent that any line item set forth in the Project Budgets is not an actual cost incurred.

(b) Sources of City Funds. Subject to the terms and conditions of the City Notes and this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to: (i) pay \$5,000,000 from Incremental Taxes to pay for TIF-Funded Improvements, including without limitation the acquisition of the Azusa Property and a portion of the costs of acquisition of the CTA Property; (ii) issue the City Note #1 to reimburse the Master Developer for the costs of the TIF-Funded Improvements incurred by the Master Developer; (iii) issue the City Note #2 and the City Note #3 to reimburse the LIHTC General Partner for the costs of the TIF-Funded Improvements incurred by the LIHTC General Partner for Phase II Improvements; and (iv) issue the City Note #4 and the City Note #5 to reimburse the Senior Developer General Partner for the costs of the TIF-Funded Improvements incurred by the Senior Developer General Partner for Phase III Improvements; all such paid and reimbursed costs to be collectively deemed the "City Funds" hereunder; provided, however, that the total amount of City Funds including those evidenced by the City Notes and available for TIF-Funded Improvements plus the initial \$5,000,000 shall be an amount not to exceed the lesser of Thirty Five Million Five Hundred Sixty Five Thousand Three Hundred Thirteen Dollars (\$35,565,313) (except to the extent such amount is reduced as provided in Section 3.02(a)(ii) by virtue of the City's advancing in excess of \$5,000,000 in Incremental Taxes for TIF-Funded Improvements or as provided in Section 4.01 by virtue of the Chicago Department of Transportation undertaking certain of the Phase I

Improvements) or 27.3% of the actual total Project costs (the "Maximum Reimbursement Amount"), plus interest. Notwithstanding the foregoing, the Maximum Reimbursement Amount shall be increased (and not limited by the formula set forth in the preceding sentence) on a pay-as-you-go basis only (i.e., not included in the City Notes) for increased environmental remediation costs, construction interest for the Phase I Improvements and the job training, day care and related costs for the residents of the Phase II Improvements and Phase III Improvements as set forth in Section 4.03(a), but such pay-as-you-go reimbursements shall be subject to reduction to the extent set forth in the last sentence of Section 4.03(a) above.

All Available Incremental Taxes shall be irrevocably pledged to payments under the City Notes. Subject to Section 3.02(a)(ii), payments of the Available Incremental Taxes as aforesaid shall be applied (i) first, to pay accrued interest due and owing under the City Notes; (ii) second, to reduce the principal amount of the City Notes. Accrued but unpaid amounts due hereunder in any year shall carry over and be paid from Available Incremental Taxes which are collected in the following or subsequent year(s). Nonpayment of principal or interest on a City Note due to the insufficiency of Available Incremental Taxes shall not be deemed an event of default thereunder. In addition, Available Incremental Taxes shall be used to pay the costs of other TIF-Funded Improvements as set forth herein. The City's obligation to reimburse or pay to the Developers as aforesaid shall terminate on the earlier to occur of (i) payment to Developers of the Maximum Reimbursement Amount (as the same may be increased as herein provided), (ii) the termination or expiration of this Agreement or (iii) as provided in Section 15.02. Nothing in this paragraph shall obligate the City to reimburse the Developers in an amount greater than the Maximum Reimbursement Amount, plus interest and, plus the additional "pay-as-you-go" amounts set forth in Section 4.03(a).

Pursuant to the terms of the City Notes, interest accrued on the outstanding principal balance from time to time of the City Notes is payable from Available Incremental Taxes on March 1 of each year. The City acknowledges and agrees that all interest payable on each City Note prior to issuance of the related Certificate (or the fourth anniversary of the Closing Date, if earlier) shall be deposited in the Escrow Account established and maintained pursuant to the Pledge Agreement, and applied and disbursed as set forth therein.

(c) TIF Bonds. The Commissioner of DPD and the Comptroller may decide to recommend that the City Council approve prior to the fifth anniversary of the Closing Date a TIF Bond Ordinance authorizing the issuance of TIF Bonds. In deciding whether or not to make such recommendation, the City's Comptroller and the Commissioner of DPD, in consultation with the City's underwriter, shall consider the following: (i) the availability of a sufficient market for the TIF Bonds; (ii) a determination that the TIF Bonds would bear interest at a rate no higher than the interest rate on any of the City Notes, (iii) a determination that the market will not require reserve accounts or debt service coverage levels higher than those generally established by the City for municipal revenue obligations such as tax increment financing revenue bonds, and (iv) that the issuance of the TIF Bonds will not adversely affect the City's bond rating. The Developer will cooperate with the City in the issuance of TIF Bonds, as provided in Section 8.05 hereof. To the extent TIF Bonds (or a portion thereof) are used, among other things, to retire City Note #2 and City Note #3, such TIF Bonds shall be taxable instruments. TIF Bonds shall not be used to retire any of the City Notes for a "lock out" period of eighteen months following the date of this Agreement.

4.04 Payment Form. A Developer shall deliver to the City, on or before the 10th of each month following the Closing Date, a Payment Form substantially in the form of Exhibit H attached hereto or as otherwise acceptable to DPD, together with the documentation described therein. Not later than the 25th of each month after Developer's submission of a Payment Form, DPD will either approve the Payment Form or notify such Developer that the Payment Form has not been approved, giving specific reasons as to how it does not comply with this Agreement. Upon the City's request, a Developer will provide any additional documentation necessary for the City's approval of the Payment Form.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by a Developer with respect to such Developer's respective phase of the Project prior to the Closing Date, evidenced by documentation reasonably satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budgets, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). Exhibit L sets forth the Prior Expenditures approved by DPD. 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 Developers pursuant to Section 4.01 hereof. The amount of any approved Prior Expenditures constituting TIF-Funded Improvements shall be deemed to be a disbursement under the respective City Note in accordance with Section 5.17 hereof and the amount of the outstanding principal balance of the respective City Note shall be increased by the amount of such Prior Expenditures (subject to the limitation in the penultimate paragraph of Section 5.17), which shall be supported by an approved Payment Form. The City may disburse an amount not to exceed \$5,000,000 pursuant to Sections 3.02(a)(ii) and 3.03(a)(ii) in connection with the acquisition of the Azusa Property and the CTA Property, and any disbursement in excess of such amount will reduce the maximum principal amount of the City Note #1 by such excess amount.

(b) Allocation Among Line Items. Disbursements for expenditures related to line items for TIF-Funded Improvements may be transferred and reallocated without DPD consent between and among other line items for expenditures related to other TIF-Funded Improvements. The Developers may transfer and re-allocate costs and expenses as described in the Project Budgets from one line item to another, without the prior written consent of DPD; provided, however, that such transfers and re-allocations among line items, shall be in an aggregate amount not to exceed the Maximum Reimbursement Amount (as the same may be increased pursuant to Section 4.03).

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

4.07 Pledge of City Notes. The Developers may pledge the City Notes as security for a loan to fund a portion of the costs of the Project, subject to the following conditions precedent:

- (a) the prior written consent of DPD shall be obtained;
- (b) the conditions in Section 5.17 hereof have been fulfilled;

(c) the proceeds of any such loan are disbursed through the Escrow to fund TIF-Funded Improvements;

(d) the holder of any City Note shall provide to the City evidence that such holder is a "sophisticated investor" under applicable state and federal securities laws; and

(e) the holder of the City Note shall deliver to the City a completed and executed form of Anti-Scofflaw Affidavit and otherwise shall not be in breach or violation of applicable City ordinances.

SECTION 5. CONDITIONS PRECEDENT/SUBSEQUENT

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

5.01 Project Budgets. The Developers shall have submitted to DPD, and DPD shall have approved, Project Budgets in accordance with the provisions of Section 3.05 hereof.

5.02 Scope Drawings and Plans and Specifications. In accordance with the provisions of Section 3.04 hereof, the Developers shall submit to DPD for approval the Plans and Specifications for the Phase I Improvements, Phase II Improvements and the Phase III Improvements when they become available.

5.03 Other Governmental Approvals. Not less than five (5) days prior to the issuance and delivery of a City Note, the Developers shall submit to DPD evidence of all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation which it has obtained as of the Closing Date.

5.04 Financing. The Developers shall have furnished proof reasonably acceptable to the City that the Developers (or their respective partners/shareholders) have Equity and Lender Financing in the amounts required to complete the Phase I Improvements and otherwise satisfy their obligations under this Agreement with respect thereto. Prior to the commencement of the Phase II Improvements and the Phase III Improvements, respectively, the Developers thereof shall furnish proof reasonably acceptable to the City of sufficient Equity and Lender Financing in the amounts required to complete said Phases and otherwise satisfy their obligations under this Agreement with respect thereto. If a portion of such funds consists of Lender Financing, the Developers shall have furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developers as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Developers have delivered to DPD a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developers, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developers shall furnish the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the

Developers as the named insured with respect to the Property. The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit I hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Developers shall provide to DPD, prior to the Closing Date, documentation related to the purchase or lease of the various portions 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. Not less than five (5) business days prior to the Closing Date, the Developers, at their own expense, shall have provided the City with current searches under the names of Master Developer, LIHTC Developer, LIHTC General Partner, Senior Developer, Senior Developer General Partner, Peter Holsten and John Mullen 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 such entities or persons, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. Not less than five (5) business days prior to the Closing Date, the Master Developer shall have furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developers, at their own expense, shall have insured the Property in accordance with Section 12 hereof. At least five (5) business days prior to the Closing Date, certificates required pursuant to Section 12 hereof evidencing the required coverages shall have been delivered to DPD.

5.09 Opinion of the Developers' Counsel. On the Closing Date, the Developers shall furnish the City with opinions of their respective counsel, substantially in the form attached hereto as Exhibit M, with such changes as may be required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. Not less than twenty (20) business days prior to the Closing Date, the Developers shall have provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Not less than thirty (30) days prior to the Closing Date, the Developers shall have provided Financial Statements to DPD for its most recent three fiscal years, and audited or unaudited interim financial statements.

5.12 Documentation. The Developers shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters.

5.13 Environmental. Not less than thirty (30) days prior to the Closing Date, the Developers shall have provided DPD with copies of that certain phase I environmental audit completed with respect to the Property, along with evidence that the costs of addressing remediation issues raised therein have been included in the Phase I Project Budget. Based on the City's review thereof, the City may, in its sole discretion, require the completion of a phase II environmental audit with respect to the Property prior to the Closing Date. If, in the City's reasonable view, such audits reveal the existence of material environmental problems, the redress of which have not been covered in the Project Budget, the City may require additional assurances evidencing the Developer's ability to remediate such problems and complete the Project before the City approves the payment of any additional City Funds. Prior to the Closing Date, the Developers shall provide 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. Each Developer shall provide a copy of its Articles of Organization or Articles of Incorporation containing the original certification of the Secretary of State of Illinois; a certificate of good standing or existence from the Secretary of State of Illinois and all other states in which such Developer is qualified to do business; a general partner's certificate or corporate resolutions in such form and substance as the Corporation Counsel may reasonably require; a copy of the Developer's limited partnership agreement and such other organizational and authority documentation as the City may reasonably request for the Developer or its owners. Each Developer and all owners of each Developer have provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. Each Developer shall provide to Corporation Counsel and DPD, at least ten (10) business days prior to the Closing Date, 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 Material Agreements. The Master Developer shall provide to Corporation Counsel and DPD, at least thirty (30) days prior to the Closing Date, copies of all material agreements and documents relating to the CTA Property and the Azusa Property, including, without limitation, all deeds, easements, construction agreements, development and land use agreements.

5.17 Preconditions For City Notes. Subject to the Master Developer providing documents satisfactory to DPD, in its sole discretion, of the Master Developer's expenditures for TIF-Funded Improvements prior to the Closing Date (the "Prior TIF Expenditures"), the City will issue the City Note #1 on the Closing Date with an initial principal balance equal to the Prior TIF Expenditures. Consistent with the requirements of Section 4.04, The Master Developer may thereafter apply for increases in the outstanding principal balance of the City Note, up to the maximum principal amount of \$14,519,608 (as the amount thereof may be adjusted as set forth in Section 4.01) (less any repayments of principal that may have occurred as provided in Section 4.03(a)), in accordance with the following procedures.

Prior to any increase in the principal amount of any City Note, the respective Developer shall submit documentation substantially in the form attached as Exhibit H. Delivery by the respective Developer to DPD of any request to increase such principal amount shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for increase, that:

(a) the amount listed in Paragraph A of Exhibit H reflects the total Project costs paid to date to the General Contractor, subcontractors, and such other parties who have performed work on or provided services for the Project, and/or their payees, including any amounts paid for acquisition costs;

(b) such Developer has approved all work and materials for the reimbursement request covered by such Payment Form and such work and materials conform to the Plans and Specifications;

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

(d) such Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(e) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred, subject to all applicable notice and cure periods; and

(f) the phase of the Project to which the City Note increase relates is In Balance. The Phase I Improvements, Phase II Improvements or the Phase III Improvements shall be deemed to be in balance ("In Balance") only if the total of the available funds for such phase equals or exceeds the aggregate amount necessary to pay all unpaid costs incurred or to be incurred in completing such phase. "Available funds" as used herein shall mean: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity and (iii) any other amounts deposited by such Developer pursuant to this Agreement. Each Developer hereby agrees that if any phase of the Project is not In Balance, the Developer responsible for such phase shall, within 10 days after a written request by the City, deposit with the City or any escrow agent, cash (or a commitment for additional Lender Financing) in an amount that will place such phase In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall not be obligated to increase the principal amount of any City Note or make payments under any City Note if an Event of Default, or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred, subject to all applicable notice and cure periods. DPD shall retain the right to approve or reject, in its reasonable discretion, the designation of any cost as (i) a TIF-Funded Improvement or (ii) a part of the actual total costs of the Project. In no event shall DPD be obligated to increase the principal amount of a City Note by an amount such that the outstanding aggregate principal amount of the City Notes shall exceed 27.3% of the actual total Project costs (as provided in Section 4.03(b) hereof. In the event that the City, at the time of the issuance of a Certificate, determines that the principal amount of the City Note(s) corresponding to such Certificate has previously been set at an amount such that the aggregate principal amount of the City Notes is in

excess of 27.3% of the actual total Project costs, the City shall be entitled to retroactively reduce the principal amount of such City Note to the applicable, lower amount, recompute interest, and adjust its payments accordingly, subject to and in accordance with the provisions of Section 4.03(a). The City shall not be obligated to increase the principal amount of any City Note if, on the date of such a request for such increase, any of the certifications described in (a) through (f) above are incorrect in any material respect.

The Developer shall have satisfied all other preconditions of disbursement of City Funds for each increase in principal of, or payment of principal or interest pursuant to, the City Notes, including but not limited to requirements set forth in the TIF Ordinances, the City Notes, this Agreement and the Escrow Agreement. No payments of principal under a City Note will be made prior to the issuance of a Certificate for the respective phase pursuant to Section 7.01

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for Subcontractors. (a) Except as set forth in Section 6.01(b) below, or as otherwise agreed to by DPD in writing, prior to entering into an agreement with any subcontractor for construction of the Project, the respective 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. For the TIF-Funded Improvements, such Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid (as reasonably determined by the Developer) who can complete that phase of the Project in a timely manner. The Developers shall submit copies of the Construction Contracts 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 Developers 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 respective phase of the Project until the Plans and Specifications have been approved by DPD and all permits required for commencement of construction have been obtained.

(b) If, prior to entering into an agreement with a subcontractor for construction of a phase of the Project, a Developer does not solicit bids or otherwise obtain DPD's approval pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall be limited to 10% of the total amount of the Construction Contract. DPD acknowledges that this Section 6.01(b) shall be applicable to the Master Developer's retention of subcontractors and the LIHTC Developer's retention of subcontractors and the Senior Developer's retention of subcontractors. 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 for all subcontracts and select the lowest responsible bids (as reasonably determined by the Developers).

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

and any other parties thereto, such 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 commencement of construction for any work for the Project relating to construction in the public way, the Developers shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. The Developers shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof, provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and City resident hiring obligations in Section 10 shall be applied on an aggregate basis and the failure of the general contractor to require each contractor and subcontractor to satisfy, or the failure of any one contractor or subcontractor to satisfy, such obligations shall not result in a default under or a termination of this Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis.

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 3.06 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction.

(a) Upon completion of the construction of Phase I of the Project in accordance with the terms of this Agreement, and upon the Master Developer's written request, DPD shall issue to the Master Developer the Phase I Certificate in recordable form certifying that the Master Developer has fulfilled its obligation to complete Phase I of the Project in accordance with the terms of this Agreement.

(b) Upon completion of the construction of Phase II of the Project in accordance with the terms of this Agreement, and upon the LIHTC Developer's written request, DPD shall issue to the LIHTC Developer the Phase II Certificate in recordable form certifying that the LIHTC Developer has fulfilled its obligation to complete Phase II of the Project in accordance with the terms of this Agreement.

(c) Upon completion of the construction of Phase III of the Project in accordance with the terms of this Agreement, and upon the Senior Developer's written request, DPD shall issue to the Senior Developer the Phase III Certificate in recordable form certifying that the Senior Developer has fulfilled its obligation to complete Phase III of the Project in accordance with the terms of this Agreement.

(d) DPD shall respond to each 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 respective phase of the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by such Developer in order to obtain the Certificate. A Developer may resubmit a written request for a Certificate upon completion of such measures. DPD shall respond to any such further written request by a Developer for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the phase of the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by such Developer in order to obtain the Certificate.

(e) The Developers acknowledge that the City will not issue a Certificate until the following conditions have been met:

- (i) for the Phase I Certificate, the Phase I Improvements have been substantially completed and title has been transferred to all of the Anchor Site End Users; or
- (ii) for the Phase II Certificate and the Phase III Certificate, the Phase II Improvements and the Phase III Improvements, respectively, have been substantially completed;
- (iii) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Sections 8.09 and 10 with respect to such phase.

7.02 Effect of Issuance of Certificate; Continuing Obligations. A Certificate relates only to the construction of the respective phase of the Project and, upon its issuance, the City will certify that the terms of the Agreement specifically related to the respective 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 8.01(d), 8.02, 8.06, 8.19 and 8.20 as covenants that run with the land and the improvements thereon are the only covenants in this Agreement intended to be binding upon any transferee of the real property legally described in Exhibit G-1 (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developers or a permitted assignee of the Developers who, pursuant to Section 18.15 of this

Agreement, has contracted to take an assignment of the Developers' rights under this Agreement and assume the Developers' liabilities hereunder.

7.03 Failure to Complete. If a Developer fails to complete the Developer's respective phase of the Project in accordance with the terms of this Agreement, then the City shall have, but shall not be limited to, the right to terminate this Agreement with respect to the applicable phase and its obligation to make payments on the City Notes issued to reimburse the costs of TIF-Funded Improvements related to such phase of the Project.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide any Developer, at such 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 DEVELOPERS.

8.01 General. Each Developer individually and severally and in no case jointly represents, warrants and covenants as of the date of this Agreement and as of the date of the issuance and delivery of the respective City Note(s) and each increase in the principal amount of the City Note(s) or payment thereunder, and only with respect to the phase of the Project in which such Developer has an economic interest, that:

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

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

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

(d) unless otherwise permitted pursuant to the terms of the Agreement, the Master Developer, upon acquisition of the CTA Property, the Azusa Property, the Montrose Property and the Excess Parking Property, will possess and shall maintain good, indefeasible and merchantable fee simple or leasehold title to the Property (subject to the Master Developer's subsequent conveyance to the Anchor Site End Users of portions of the Property) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budgets and non-governmental charges that the Master Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the Developer is now and until the earlier to occur of (i) the expiration of the Term of the Agreement, and (ii) the date, if any, on which Developer has no further economic interest in the Project, 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 or, to the best of the Developer's knowledge, threatened, or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Developer's phase of the Project, and shall submit evidence thereof to DPD prior to the issuance of a Certificate by DPD;

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey (except the conveyance of the applicable portions of the Property to the Anchor Site End Users), lease (except leases entered into in the ordinary course of the Developer's business) or otherwise dispose of all or substantially all of its assets or any portion of the Property; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than the obligations of another Developer in connection with the Project); or (5) enter into any transaction that would cause a material and detrimental change to the Developer's ability to undertake its obligations under this Agreement;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property other than the Permitted Liens or Non-Governmental Charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof; or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the respective Project Budget, except easements, recordable interests and liens in the Property that are necessary for the redevelopment of the Property;

(l) the member of the Master Developer is Peter Holsten; the partners of the LIHTC Developer are the LIHTC General Partner (the sole owner of which is Peter Holsten) and Peter Holsten; and the partners of the Senior Developer are the Senior Developer General Partner (the sole owner of which is Peter Holsten) and Peter Holsten.

(m) None of Master Developer, LIHTC Developer or Senior Developer, or any affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subsection only, "affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budgets, the Scope Drawings and Plans and Specifications as provided in Sections 3.05 and 3.06 hereof, and the Developers' receipt of all required building permits and governmental approvals, the Developers shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and in accordance with each Developer's respective obligations related to the redevelopment of individual phases of the Project, the Scope Drawings, Plans and Specifications, Project Budgets 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 Developers. The covenants set forth in this Section shall run with the land and the improvements thereon and be binding upon any transferee.

8.03 Redevelopment Plan. Each 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 Developers shall be used by the Developers solely to pay for (or to reimburse the Developers for their payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Bonds. The Developers shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any TIF Bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on the Developers or the Project. The Developers shall, at the Developers' expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The Developer shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading in any material respect. To the extent TIF Bonds (or a portion thereof) are

used, among other things, to retire City Note #2 and City Note #3, such TIF Bonds shall be taxable instruments. TIF Bonds shall not be used to retire any of the City Notes for a "lock out" period of eighteen months following the date of this Agreement.

8.06 Use of the Project.

(a) The Developers agree that the types of uses permitted in the Project shall be of a retail and/or commercial nature found in first class shopping, retail and office centers, of a similar size and location in the City, as well as affordable housing and senior housing, and that, without the prior written consent of DPD, the Project shall not be used for any other use. Upon seeking DPD's consent to a different use for the Project other than as described above, the Master Developer shall provide a rationale for such change. Notwithstanding the foregoing to the contrary, permitted uses of the Property shall only be as allowed by this Agreement, the Redevelopment Plan and the PD Ordinance and any approved amendment thereof. The PD Ordinance provisions shall control over any discrepancy concerning the permitted uses of the Property contemplated by this Agreement, the Redevelopment Plan and the PD Ordinance.

(b) The Developers and the City agree that the anchor site end users ("Anchor Site End Users") of the Project will be Target Corporation, Aldi, Inc., Kerasotes Theaters, the LIHTC Developer and the Senior Developer, and that any change in the anchor site end users will require DPD's prior written consent.

(c) [INTENTIONALLY DELETED].

(d) The City may also suspend payments on the City Notes if any of the following events occur: (i) the sale by any Developer of the Property or a transfer of any interest of such Developer in the Property or the Project not permitted under this Agreement (and further excluding leasehold interests granted to commercial/retail tenants and sales to the Anchor Site End Users, all as contemplated by this Agreement); (ii) the failure of Master Developer to maintain the retail portion of the Phase I Improvements owned by the Master Developer as a retail center until the City Note #1 is paid; (iii) the failure to obtain City approval for any sale (except to Target Corporation, Kerasotes Theaters, Aldi, Inc. and the prospective owners of the Phase II Improvements and the Phase III Improvements) by a Developer of any of the Property or the Project occurring prior to the 5th anniversary of the issuance of a Certificate or failure to notify the City of an intended sale by a Developer of any of the Property or the Project to occur after the 5th anniversary of the issuance of a Certificate but prior to the date when the City Notes are paid; or (iv) the destruction of the Project such that the Project can no longer be used as contemplated by this Agreement, if the Project is not rebuilt by the Developers within a reasonable time period (subject to the availability of insurance and provided the City shall cooperate with the Developers as may be necessary to pursue and process insurance claims related to such destruction).

The covenants set forth in this Section 8.06 shall run with the land and the improvements thereon and be binding upon any transferee of the Developers.

8.07 Employment Opportunity. Each Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof; provided, however, that the

contracting, hiring and testing requirements associated with the MBE/WBE and City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis.

8.08 Employment Profile. Each Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile, including the number of jobs created and retained at the Project.

8.09 Prevailing Wage. Each Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all employees working in constructing the Project or otherwise completing the TIF-Funded Improvements. 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, a Developer shall provide the City with copies of all such contracts entered into by such Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto or as otherwise provided hereunder, no Affiliate of a Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Each Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by such Developer and reimbursement to such 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, each Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or such Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, direct or indirect, in such Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Each Developer shall obtain and provide to DPD Financial Statements for each fiscal year of such Developer after the Closing Date for the Term of the Agreement so long as such Developer owns an economic interest in the Project. In addition, each 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. Each 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 Developers agree 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 the Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developers 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 Developers 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 Developers shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, 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 Developers' covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

8.16 Developers' Liabilities. No Developer shall enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of such Developer to any other person or entity. Each Developer shall immediately notify DPD of any and all events or actions which may materially affect such Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of each Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in material 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, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement.

Upon the City's request, the Developers shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. The Developers shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developers shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developers 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 Developers agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developers, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon any Developer or all or any portion of the Property. Until all of the Certificates have been issued, the Developers shall notify the City that the real estate taxes have been paid in full within ten (10) days of such payment. "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 any Developer or the Property, including but not limited to real estate taxes.

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

(A) the Developers shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developers 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

(B) the Developers 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) Developers' Failure to Pay or Discharge Lien. If the Developers fail to pay any Governmental Charge or to obtain discharge of the same, the Developers 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 Developers under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developers. 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 Developers fail to pay any Governmental Charge, the City, in its sole discretion, may require the Developers to submit to the City audited Financial Statements at the Developers' own expense.

(c) [INTENTIONALLY DELETED]

(d) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developers shall procure and maintain the following insurance:

- (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.
- (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.

8.20 Affordable Housing Covenant.

(a) Subject to the provisions of Recital D, the definitions of "Phase II Improvements" and of "Phase III Improvements", and Section 3.06 permitting changes to the Project, each of the LIHTC Developer and the Senior Developer agrees and covenants to the City that the provisions of those certain regulatory agreements to be executed between the LIHTC Developer and the City with respect to the Phase II Improvements and between the Senior Developer and the City with respect to the Phase III Improvements (the "Regulatory Agreements") (which regulatory agreements will be in the form used by the City for HOME loans and low income housing tax credits, provided that a HOME loan and low income housing tax credits shall be issued with respect to the respective phases of the Project) shall govern the terms of such Developer's obligation to provide affordable housing on the Property under this Agreement.

(b) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

(c) The City and the LIHTC Developer and the Senior Developer may enter into separate agreements to implement the provisions of this Section 8.20.

8.21 Public Benefits Program. The Developers shall, within six months following issuance of a Certificate, undertake a public benefits program as described on Exhibit Q. On a semi-annual basis, the Developers shall provide the City with a status report describing in sufficient detail the Developers' compliance with the public benefits program.

8.22 Job Training. Each Developer hereby agrees to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Developers' business on the Property. Developer shall use good faith efforts to request that the Anchor Site End Users cooperate to implement the terms of this Section 8.22 but the failure of such Anchor Site Users to do so shall not be a default hereunder.

8.23 Survival of Covenants. All warranties, representations, covenants and agreements of the Developers contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developers' 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. This Agreement is, and upon delivery, the City Notes will be, the valid and binding obligations of the City, enforceable against the City in accordance with their respective terms.

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. DEVELOPERS' EMPLOYMENT OBLIGATIONS

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

A 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 Purchasing Agent 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.

Each 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.

Each Developer shall submit reports to the Commissioner evidencing compliance with this Section 10.02 after the following periods: (1) upon expenditure of 50 percent of the total costs of the Project; (2) upon expenditure of 70 percent of the total costs of the Project; and (3) upon completion of the Project. Such reports shall include weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) which clearly identify 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 Developers, the General Contractor and each subcontractor shall provide full access to their employment records to the Purchasing Agent, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developers, 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 Developers, 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 Developers, 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 Purchasing Agent) 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 on the Project is completed, in the event that the City has determined that any 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 respective 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 such Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developers, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination as to whether the Developers 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 Developers 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 Developers' MBE/WBE Commitment. Each 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 Project 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 24 percent by MBEs.
- ii. At least 4 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developers (and any party to whom a contract is let by a Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by a 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, each Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the

Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. Each Developer shall deliver quarterly reports to DOH 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 DOH in determining the Developer's compliance with this MBE/WBE commitment. DOH 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.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the respective 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 Developers' MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

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

(a) The Developers hereby represent and warrant to the City that the Developers have 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.

(b) Without limiting any other provisions hereof, the Developers agree 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 Developers: (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 all or any portion of the Property, 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 Developers or any of their respective Affiliates under any Environmental Laws relating to the Property.

(c) The City makes no covenant, representation or warranty as to the environmental condition of the CTA Property or the Azusa Property or its suitability for any purpose whatsoever, and the Developer agrees to accept the CTA Property and the Azusa Property "as is".

It shall be the responsibility of the Developers, at their sole cost and expense, to investigate and determine the soil and environmental condition of the CTA Property and the Azusa Property. Prior to the Closing Date, the Developers shall have been given the right to conduct such environmental tests on the CTA Property and the Azusa Property as they deem necessary or appropriate.

The Developers agree to carefully inspect the CTA Property and the Azusa Property prior to the commencement of any activity thereon to make sure that such activity shall not damage surrounding property, structures, rail lines, utility lines or any subsurface lines or cables. The Developers shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the CTA Property or the Azusa Property. Prior to the conveyance of the CTA Property or the Azusa Property, and except as may be expressly consented to by the CTA or the Azusa Property Owner (as the case may be), the Developers' activities on the CTA Property and the Azusa Property shall be limited to those reasonably necessary to perform the environmental testing. The Developers shall keep the CTA Property and the Azusa Property free from any and all liens and encumbrances arising out of any

environmental remediation work performed, materials supplied or obligations incurred by or for the Developers, and agrees to indemnify and hold the City harmless against any such liens.

The Developers agree to deliver to the City a copy of each report prepared by or for the Developers regarding the environmental condition of the CTA Property and the Azusa Property.

If after the Closing, the environmental condition of the CTA Property or the Azusa Property is not in all respects entirely suitable for the use to which it is to be utilized pursuant to the terms of this Agreement, it shall be the sole responsibility and obligation of the Developers to take such action as may be necessary to put the CTA Property and/or the Azusa Property in a condition entirely suitable for such intended use, subject to the City's increase in the Maximum Reimbursable Amount in the amounts necessary to fully reimburse the Developers for the costs of undertaking such actions. The Developers agree to release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the CTA Property and the Azusa Property and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the CTA Property and the Azusa Property prior to the Closing.

SECTION 12. INSURANCE

The Developers shall procure and maintain, or cause to be procured and maintained, at their sole cost and expense, at all times throughout the Term of this Agreement (or during the construction period as specified at (b) below) and until each and every obligation of the Developers contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developers, the General Contractor or any subcontractor:

(a) Prior to Execution and Delivery of this 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 or in connection with this Agreement, and employer's liability coverage, with limits of not less than \$100,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability. Coverage extensions 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 under or in connection with this Agreement.

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

(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 or in connection with this Agreement and employer's liability coverage with limits of not less than \$500,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion of construction of the Project) 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 under or in connection with this Agreement.

(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 in connection with this Agreement, the Developers shall provide, or cause to be provided, Automobile Liability Insurance with limits of not less than \$2,000,000.00 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, in connection with this Agreement, any work is to be done adjacent to or on property owned by a railroad or public transit entity, the Developers shall provide, or cause to be provided, with respect to the operations that the Developers perform, Railroad Protective Liability Insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

When the General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the General Contractor shall provide, or cause to be provided, All Risk Builder's Risk Insurance at replacement cost for materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include but are not limited to the following: boiler and machinery (if applicable) and collapse. The City of Chicago shall be named as additional loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000.00. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. 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 in connection with this Agreement, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors' Pollution Liability Insurance

When any remediation work is performed in connection with this Agreement which may cause a pollution exposure, Contractors' Pollution Liability Insurance shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, clean-up costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede start of work in connection with this 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) Other Provisions

(i) The Developers shall furnish the following certificates to DPD at City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602:

--Original certificates of insurance evidencing the required coverage, showing the City as a certificate holder and, if applicable, loss payee or additional insured, to be in force on the date of execution of this Agreement, and renewal certificates of insurance or other evidence of renewal, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. Each certificate of insurance shall provide that the City is to be given sixty (60) days prior written notice in the event coverage is substantially changed, canceled or not renewed; and

--Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from DPD) or its equivalent.

The receipt of the required certificates by DPD does not constitute an agreement by the City that the insurance requirements of this Agreement have been fully met or that the insurance policies indicated on the certificates are in compliance with all requirements hereunder. The failure of the City to receive such certificates or to receive certificates that fully conform to the requirements of this Agreement shall not be deemed to be a waiver by the City of any of the insurance requirements set forth herein.

(ii) Receipt by the Developers of policies or certificates: The Developers shall advise all insurers of the insurance requirements set forth in this Agreement, and the receipt by the Developers of policies or certificates that do not conform to these requirements shall not relieve the Developers of their obligation to provide the insurance as set forth in this Agreement or required by law. Failure to comply with the insurance provisions of this Agreement constitutes an Event of Default hereunder, and the City is entitled to exercise all remedies with respect thereto. Each Developer expressly understands and agrees that any coverages and limits furnished by Developers shall in no way limit the Developers' liability and responsibilities specified within this Agreement or as required by law.

(iii) The Developers shall require the General Contractor and all subcontractors to carry the insurance required herein, or alternatively, the Developers may provide the coverage on behalf of the General Contractor or any subcontractor. All General Contractors and subcontractors shall be subject to the same requirements of the Developers in this subsection (c) unless specified herein.

(iv) Each Developer agrees, and shall cause its insurers and the insurers of its General Contractor and each subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

(v) The limitations set forth in the indemnification provisions in Section 13 hereof, or any limitations on indemnities that may apply as a matter of law, shall in no way limit, reduce or otherwise affect the amounts or types of insurance required under this Agreement.

(vi) The Developers and not the City are responsible for meeting all of the insurance requirements under this Agreement and for the Project. Any insurance or self insurance programs maintained by the City shall apply in excess of and not contribute with insurance required to be provided by the Developers, General Contractor or any subcontractor under this Agreement.

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by the Developers, General Contractor or subcontractor who is the insured under such policy, and shall not be borne by the City.

If the Developers, the General Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own protection, such person or entity shall be responsible for the acquisition and cost of such additional protection.

(vii) The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements set forth in this Agreement so long as such action does not, without the Developers' prior written consent, increase such requirements.

SECTION 13. INDEMNIFICATION

Each Developer agrees, individually and severally and in no cases jointly or with respect to the obligation of any other Developer hereunder, to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) such Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other improvement for the Project, or (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer or its agents, employees, contractors or persons acting under the control or at the request of such Developer or (iv) such Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto, or (v) any actions resulting from any action undertaken by such Developer on the CTA Property prior to or after the conveyance of the CTA Property to the Developer by the City, or (vi) any actions resulting from any action undertaken by such Developer on the Azusa Property prior to or after the conveyance of the Azusa Property to the Developer by the City.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Each 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 such Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. Each 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 shall have 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 Developers hereunder:

(a) the failure of any Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of such Developer under (i) this Agreement or (ii) any related agreement, if such failure with respect to any related agreement materially adversely affects such Developer's ability to perform its obligations under this Agreement;

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

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

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

For purposes of Section 15.01(j) hereof, a person with a material interest in any Developer shall be one owning in excess of 10% of such Developer's partnership or membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, subject to all applicable notice and cure periods, in addition to all other rights and remedies contained in this Agreement, including those specifically set forth in Sections 7.03, 10.03(g) and 18.18, the City may terminate this Agreement and all related agreements. If Master Developer fails to complete construction of the Phase I Improvements and as a result is in default hereunder, the Developer shall repay to the City the \$5,000,000 advanced by the City set forth in Section 4.03(b)(i) or the value of the property conveyed to the Developer hereby for less than market value. Prior to the issuance of the Certificate for each phase, the City may suspend or terminate payments of Available Incremental Taxes pursuant to this Agreement and the City Notes only as each relates to the phase of the Project with respect to which such default has occurred; subsequent to the issuance of the Certificate for a phase, the City shall not have the right to suspend or terminate payments under the City Note(s) issued with respect to such phase. Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

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

SECTION 16. MORTGAGING OF THE PROPERTY

All mortgages or deeds of trust in place with respect to the Property or any portion thereof are listed on Exhibit I 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 Developers 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 mortgage or deed of trust that the Developers 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." Permitted Mortgages shall include, without limitation, construction and permanent financing for the Project to be obtained from Bridgeview Bank and Dougherty Funding LLC as set forth in the Project Budgets. It is hereby agreed by and between the City and the Developers as follows:

(a) In the event that a mortgagee or any other party shall succeed to any Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a mortgage or deed of trust (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such 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 such 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 any Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such 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 such Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of such "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 such Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of

such Developer which accrued prior to the time such party succeeded to the interest of such Developer under this Agreement, in which case such Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage does not expressly accept an assignment of such Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to any 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 Master Developer:	Wilson Yard Development I, LLC c/o Holsten Real Estate Development Corporation 1333 N. Kingsbury, Suite 305 Chicago, Illinois 60625 Attention: Peter Holsten
With Copies To:	DLA Piper Rudnick Gray Cary US LLP 203 North LaSalle Street, Suite 1900 Chicago, Illinois 60601-1293 Attention: David L. Reifman
and with copies to:	Applegate & Thorne-Thomsen, P.C. 322 South Green Street, Suite 400 Chicago, Illinois 60607 Attention: Thomas Thorne-Thomsen

If to the LIHTC

Developer or

LIHTC General Partner:

Wilson Yard Development Corporation
c/o Holsten Real Estate
Development Corporation
1333 N. Kingsbury, Suite 305
Chicago, Illinois 60625
Attention: Peter Holsten

With Copies To:

DLA Piper Rudnick Gray Cary US LLP
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293
Attention: David L. Reifman

and with copies to:

Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, Illinois 60607
Attention: Thomas Thorne-Thomsen

If to the Senior Developer
or the Senior Developer

General Partner:

Wilson Yard Senior Development Corporation
c/o Holsten Real Estate
Development Corporation
1333 N. Kingsbury, Suite 305
Chicago, Illinois 60625
Attention: Peter Holsten

With Copies To:

DLA Piper Rudnick Gray Cary US LLP
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293
Attention: David L. Reifman

and with copies to:

Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, Illinois 60607
Attention: Thomas Thorne-Thomsen

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 without the prior written consent of the City and the Developers.

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

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developers 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 Developers from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. Each 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 Developers 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 Developers in writing.

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 Bond Ordinances, 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 and without unreasonable delay. 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. In furtherance of the foregoing, the terms of this Agreement may be modified administratively by the Commissioner of DPD without the same being deemed an amendment to this Agreement provided that the Commissioner of DPD and Corporation Counsel have determined that such modification is appropriate and consistent with the terms and conditions of this Agreement and the purposes underlying the provisions hereof.

18.15 Assignment. Prior to the issuance by the City to any Developer of a Certificate, the respective Developer may not sell, assign or otherwise transfer its interest in this Agreement or the Project, or any portion thereof, in whole or in part without the written consent of the City. After the issuance of such Certificate, such Developer may not sell, assign or otherwise transfer its interest in this Agreement or the Project, or any portion thereof, if the proposed transferee or assignee, or any affiliate thereof, (1) is in violation of any City ordinances or other legal requirements, (2) is involved in litigation with the City, (3) is unable or unwilling to accept an assignment of any unperformed obligations of such Developer under this Agreement, or (4) has a creditworthiness unacceptable to the City, in its reasonable discretion. Notwithstanding the issuance of such Certificate, any successor in interest to any 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), 8.20 (Affordable Housing Covenant) and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. Except as provided in Section 4.08 hereof, no assignee or transferee shall have the right to obtain Available Incremental Revenues payable pursuant to any City Note without the express prior written consent of the City; provided, that LIHTC General Partner shall be permitted to assign City Note #3 to the Master Developer at any time after issuance of City Note #3, and the Senior Developer General Partner shall be permitted to assign City Note #5 to the Master Developer at any time after issuance of City Note #5, and the City hereby expressly consents to such assignments; provided further, that, for collateral purposes, the LIHTC General Partner shall be permitted to assign City Note #2 to the Master Developer at any time after issuance of City Note #2, and the Senior Developer shall be permitted to assign City Note #4 to the Master Developer at any time after issuance of City Note #4, and the Master Developer may assign such notes to its construction lender, and the City hereby expressly consents to such assignments; and provided further, that the Master Developer may assign City Note #1, City Note #3 and City Note #5 to its construction lender, and the City hereby expressly consents to such assignment. The Developers consent to the City's sale, transfer, assignment or other disposal of this Agreement at any time in

whole or in part. Nothing herein shall be construed as a prohibition to sell, assign or otherwise transfer interests in the Property and/or the Project to the prospective owners and operators of the department store, theater and grocery store components of the Project.

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

18.17 Force Majeure. Neither the City nor the Developers nor any successor in interest to any of them shall be considered in breach of or in default of their respective obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. Notice of such delay for any such reason shall be given by the party seeking to excuse its performance by virtue thereof to the other party within twenty (20) days of commencement of such delay, and excuse from performance of obligations shall be limited to the actual number of days involved in such delay.

18.18 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developers are required to provide notice under the WARN Act, the Developers 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 Developers have locations in the State. Failure by the Developers to provide such notice as described above may result in the termination of all or a part of the reimbursement obligations of the City set forth herein.

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

18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party 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, the Developers agree to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorneys' fees and legal expenses, whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. The Developers also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developers acknowledge (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developers have read such provision and understand 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 Developers hereby represent and warrant that, to the best of their knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

18.23 Executive Order 05-1: Prohibition on Certain Contributions. Each Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) February 10, 2005 and (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

“Bundle” means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

“Other Contract” means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

“Contribution” means a “political contribution” as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are “Domestic Partners” if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 1. The partners have been residing together for at least 12 months.
 2. The partners have common or joint ownership of a residence.
 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 4. Each partner identifies the other partner as a primary beneficiary in a will.

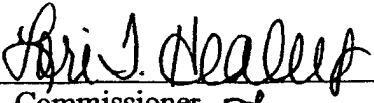
"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

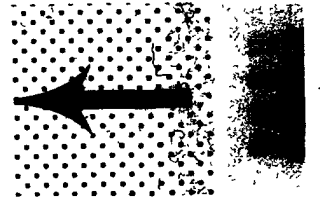
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

CITY:

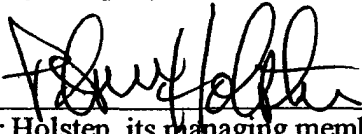
CITY OF CHICAGO, acting by and through its Department of Planning and Development

By: 
Commissioner *BN*



MASTER DEVELOPER:

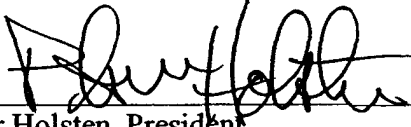
WILSON YARD DEVELOPMENT I, LLC, an Illinois limited liability company

By: 
Peter Holsten, its managing member

LIHTC DEVELOPER:

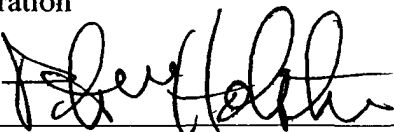
WILSON YARD PARTNERS, L.P., an Illinois limited partnership

By: Wilson Yard Development Corporation, an Illinois corporation and its sole general partner

By: 
Peter Holsten, President

LIHTC GENERAL PARTNER:

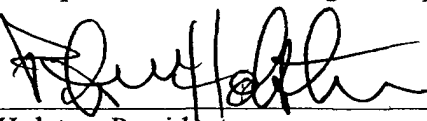
WILSON YARD DEVELOPMENT CORPORATION, an Illinois corporation

By: 
Peter Holsten, President

SENIOR DEVELOPER:

WILSON YARD SENIOR HOUSING, L.P., an Illinois limited partnership

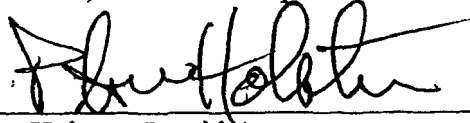
By: Wilson Yard Senior Development Corporation, an Illinois corporation and its sole general partner

By: 
Peter Holsten, President

SENIOR DEVELOPER
GENERAL PARTNER:

WILSON YARD SENIOR DEVELOPMENT
CORPORATION, an Illinois corporation

By:

A handwritten signature in black ink, appearing to read "Peter Holsten", written over a horizontal line.

Peter Holsten, President

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, DIONISIA LEAL, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Lori Healey, 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 s/he signed, sealed, and delivered said instrument pursuant to the authority given to her/him by the City, as her/his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 23rd day of November,
2005.

Dionisia Leal
Notary Public

My Commission Expires 03-01-09

(SEAL)



A

EXHIBIT A

REDEVELOPMENT AREA

See attached.

Legal Description Of Area.

Wilson Yard Redevelopment Area.

All that part of Sections 16 and 17 in Township 40 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the west line of North Magnolia Avenue with the north line of West Wilson Avenue; thence east along said north line of West Wilson Avenue to the east line of Lot 49 in Sheridan Drive Subdivision in the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 49 being also the west line of the alley east of North Magnolia Avenue; thence north along said west line of the alley east of North Magnolia Avenue to the westerly extension of the north line of the south 10 feet of Lot 20 in said Sheridan Drive Subdivision; thence east along said westerly extension and the north line of the south 10 feet of said Lot 20 in Sheridan Drive Subdivision to the west line of North Racine Avenue; thence north along said west line of North Racine Avenue to the north line of West Leland Avenue; thence east along said north line of West Leland Avenue to the southerly extension of the east line of Lots 4 through 19, inclusive, in the resubdivision of Lots 206 to 227, inclusive, and the vacated alley adjoining said Lots 206 to 227 of William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lots 4 through 19, inclusive, in the resubdivision of Lots 206 to 227 being also the west line of the Chicago Transit Authority right-of-way; thence north along said west line of the Chicago Transit Authority right-of-way to the south line of West Lawrence Avenue; thence east along said south line of West Lawrence Avenue to the west line of Lot 159 in William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said west line of Lot 159 being also the east line of the alley west of North Winthrop Avenue; thence south along said east line of the alley west of North Winthrop Avenue to the south line of Lot 1 in the subdivision of Lots 160 to 169, inclusive, of William Deering's Surrenden Subdivision in the west half of

the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 1 in the subdivision of Lots 160 to 169, inclusive, of William Deering's Surrenden Subdivision and along the easterly extension thereof to the east line of North Winthrop Avenue; thence south along said east line of North Winthrop Avenue to the south line of Lot 6 in the subdivision of Lots 150 to 157, inclusive, of William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 6 in the subdivision of Lots 150 to 157, inclusive, of William Deering's Surrenden Subdivision to the east line thereof, said east line of Lot 6 being also the west line of the alley west of North Kenmore Avenue; thence north along said west line of the alley west of North Kenmore Avenue to the westerly extension of the south line of Lot 102 in William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lot 102 in William Deering's Surrenden Subdivision and along the easterly extension thereof, and along the south line of Lot 99 in said William Deering's Surrenden Subdivision and along the easterly extension thereof to the west line of Lots 2 and 3 in said William Deering's Surrenden Subdivision, said west line of Lots 2 and 3 in William Deering's Surrenden Subdivision being also the east line of the alley west of North Sheridan Road; thence south along said east line of the alley west of North Sheridan Road to the south line of Lot 8 in said William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 8 in William Deering's Surrenden Subdivision to the west line of North Sheridan Road; thence north along said west line of North Sheridan Road to the westerly extension of the south line of Lot 3 in Herdienthofflund & Carson's Subdivision of the south 6 acres of the north 10 acres of the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said south line of Lot 3 being also the north line of West Lakeside Avenue; thence east along said westerly extension and along the north line of West Lakeside Avenue to the northerly extension of the east line of Lot 20 in Horace A. Goodrich's Subdivision of the south 10 rods of the north 30 rods of the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and the east line of Lot 20 in Horace A. Goodrich's Subdivision and along, the east line of Lot 21 in said Horace A. Goodrich's Subdivision and along the southerly extension thereof and along the

east line of Lot 20 in J. A. W. Rees' Subdivision of the south 10 rods of the north 40 rods of the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian and along the east line of Lot 21 in said J. A. W. Rees' Subdivision to the north line of West Leland Avenue; thence east along said north line of West Leland Avenue to the east line of North Clarendon Avenue; thence south along said east line of North Clarendon Avenue to the south line of West Wilson Avenue; thence west along said south line of West Wilson Avenue to the west line of the east 19 feet of Lot 3 in Christian Kurz's Resubdivision of Lots 5 and 6 in Rufus C. Hall's Subdivision in the southeast quarter of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence south along said west line of the east 19 feet of Lot 3 in Christian Kurz's Resubdivision a distance of 79.336 feet, more or less, to a north line of the parcel of property bearing Permanent Index Number 14-17-221-032; thence west along said north line of the parcel of property bearing Permanent Index Number 14-17-221-032 to the east line of Lot 2 in said Christian Kurz's Resubdivision; thence south along said east line of Lot 2 in Christian Kurz's Resubdivision and along the southerly extension thereof to the centerline of the vacated alley lying south of and adjoining Lots 2 through 6, inclusive, in said Christian Kurz's Resubdivision; thence east along said centerline of the vacated alley lying south of and adjoining Lots 2 through 6, inclusive, in Christian Kurz's Resubdivision to the northerly extension of the west line of that part of Lot 1 in Christian Kurz's Resubdivision bearing Permanent Index Number 14-17-221-029; thence south along said northerly extension and the west line of that part of Lot 1 in Christian Kurz's Resubdivision bearing Permanent Index Number 14-17-221-029 to the south line of said Lot 1 in Christian Kurz's Resubdivision; thence east along said south line of Lot 1 in Christian Kurz's Resubdivision to the west line of the east 59.6 feet of Lot 9 in H. J. Wallingford's Subdivision of the 15 rods south of and adjacent to the north 95 rods in the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence south along said west line of the east 59.6 feet of Lot 9 in H. J. Wallingford's Subdivision to the north line of West Windsor Avenue; thence east along said north line of West Windsor Avenue to the northerly extension of the west line of Lot 3 in A. L. Bletch's Subdivision of all of Lot 11 and (except the west 40.865 feet thereof) of Lot 12 in H. J. Wallingford's Subdivision of the 15 rods south of and adjacent to the north 95 rods in the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and the west line of Lot 3 in A. L. Bletch's Subdivision to the north line of Lot 1 in A. T. Galt's Sheridan Road Subdivision in the east half of the northeast quarter of Section 17, Township 40

North, Range 14 East of the Third Principal Meridian; thence east along said north line of Lot 1 in A. T. Galt's Sheridan Road Subdivision and along the easterly extension thereof to the east line of North Clarendon Avenue; thence south along said east line of North Clarendon Avenue to the south line of West Montrose Avenue; thence west along said south line of West Montrose Avenue to the southerly extension of the west line of Lot 15 in Block 2 of John N. Young's Subdivision of Lot 1 and the vacated half of the street north of and adjacent to said Lot 1 in the Superior Court Partition of the south 10 acres of the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 15 in Block 2 of John N. Young's Subdivision to the north line of said Lot 15; thence east along said north line of Lot 15 in Block 2 of John N. Young's Subdivision to the southerly extension of the centerline of the 10 foot private alley lying west of and adjoining Lot 10 in said Block 2 of John N. Young's Subdivision; thence north along said southerly extension and the centerline of the 10 foot private alley lying west of and adjoining Lot 10 in Block 2 of John N. Young's Subdivision to the south line of West Agatite Avenue; thence west along said south line of West Agatite Avenue to the east line of North Sheridan Road; thence south along said east line of North Sheridan Road to the easterly extension of the south line of the parcel of property bearing Permanent Index Number 14-17-403-023, said property being part of Lot 3 and all of Lot 2 in Block 2 of Buena Park Subdivision of part of Inglehart's Subdivision of the west half of the southeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the south line of the parcel of property bearing Permanent Index Number 14-17-403-023 and along the westerly extension thereof to the east line of Lot 44 in aforesaid Block 2 of Buena Park Subdivision, said east line of Lot 44 being also the west line of the alley east of North Kenmore Avenue; thence north along said west line of the alley east of North Kenmore Avenue to the south line of West Montrose Avenue; thence west along said south line of West Montrose Avenue to the southerly extension of the east line of Lot 287 in William Deering's Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 287 in William Deering's Surrenden Subdivision being also the west line of North Clifton Avenue; thence north along said southerly extension and the east line of Lot 287 in William Deering's Surrenden Subdivision to the north line of said Lot 287, said north line of Lot 287 being also the south line of the alley north of West Montrose Avenue; thence west along said south line of the alley north of West Montrose Avenue to the west line of Lot 290 in said William Deering's Surrenden Subdivision, said west line of Lot 290 being also the east

line of the alley east of North Racine Avenue; thence south along said east line of the alley east of North Racine Avenue and along the southerly extension thereof to the south line of West Montrose Avenue; thence west along said south line of West Montrose Avenue to the southerly extension of the east line of Lot 12 in the subdivision of the east 199 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 12 being also the west line of North Racine Avenue; thence north along said southerly extension and along the west line of North Racine Avenue to the south line of the north 10 feet of Lot 4 in said subdivision of the east 199 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said south line of the north 10 feet of Lot 4 in said subdivision of the east 199 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian to the west line of said Lot 4, said west line of Lot 4 being also the east line of the alley east of North Magnolia Avenue; thence south along said east line of the alley east of North Magnolia Avenue to the easterly extension of the south line of Lot 17 in the subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 17 in the subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian to the east line of North Magnolia Avenue; thence south along said east line of North Magnolia Avenue to the easterly extension of the north line of the south 20 feet of Lot 34 in said subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the north line of the south 20 feet of Lot 34 in the subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian and along the westerly extension thereof to the east line of Lot 39 in the subdivision of the south quarter of the east half of the northwest quarter, except the east 569.25 feet thereof, of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 39 being also the west line of the alley west of North Magnolia Avenue; thence north along said west line of the alley west of North Magnolia Avenue to the westerly extension of the north line of the south 2 feet of Lot 30 in aforesaid subdivision of the west

370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the north line of the south 2 feet of Lot 30 in the subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian to the west line of North Magnolia Avenue; thence north along said west line of North Magnolia Avenue to the north line of the south 20 feet of Lot 28 in said subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian; thence west along said north line of the south 20 feet of Lot 28 in the subdivision of the west 370.25 feet of the east 569.25 feet of the south quarter of the east half of the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian and along the westerly extension thereof to the east line of Lot 45 in aforesaid subdivision of the south quarter of the east half of the northwest quarter, except the east 569.25 feet thereof of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 45 being also the west line of the alley west of North Magnolia Avenue; thence north along said west line of the alley west of North Magnolia Avenue to the north line of West Sunnyside Avenue; thence east along said north line of West Sunnyside Avenue to the east line of Lot 37 in Sheridan Drive Subdivision in the northwest quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, said east line of Lot 37 being also the west line of the alley east of North Magnolia Avenue; thence north along said west line of the alley east of North Magnolia Avenue to the south line of Lot 46 in said Sheridan Drive Subdivision; thence west along said south line of Lot 46 in Sheridan Drive Subdivision and along the westerly extension thereof to the west line of North Magnolia Avenue; thence north along said west line of North Magnolia Avenue to the point of beginning at the north line of West Wilson Avenue, all in the City of Chicago, Cook County, Illinois.

B

EXHIBIT B

TIF-FUNDED IMPROVEMENTS

Capital Budget Costs	\$ 35,565,314
Acquisition and site assembly	13,936,750
Eligible legal	117,600
Seniors building	8,299,923
Remediation/contaminated soils haul-off	1,500,000
Relocation - Azusa	-
Demo of existing Aldi and Azusa	433,000
Alley parallel to tracks and Sunnyside extension paving only	1,400,000
Surface parking as enviro barrier	150,000
Landscape and site architect, civil engineer, borings, environmental testing, GC related to enviro/demo	566,821
Construction period interest	78,400
Family Housing, LIHTC	8,582,820
Job training	500,000

Excess TIF -

TIF Note \$ 35,565,314

Percent	27.30%
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Pay-as-You-Go (cost/yr for year 1)	\$ 173,734
CTA land lease (\$38k or 27.5% of post-tax gross revenue)	37,950*
Retail, office, and surface parking	60,784
1st mortgage interest	
Employment Training	75,000

*Subject to verification

C

EXHIBIT C-1

LEGAL DESCRIPTION OF CTA PROPERTY

See attached.

LEGAL DESCRIPTION

THAT PART OF THE NORTHEAST ¼ OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF BROADWAY, 1,124 FEET SOUTHEAST FROM THE SOUTH LINE OF WILSON AVENUE, MEASURED ALONG THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 55 FEET;

THENCE SOUTHWESTERLY 23.32 FEET TO A POINT 75 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, AS MEASURED AT RIGHT ANGLES THERETO, AND 12 FEET SOUTHERLY FROM THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY, MEASURED AT RIGHT ANGLES THERETO;

THENCE CONTINUING SOUTHERLY ON A STRAIGHT LINE 30.87 FEET TO A POINT 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO;

THENCE SOUTHERLY ALONG A STRAIGHT LINE PARALLEL WITH AND 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO; 64.03 FEET;

THENCE SOUTHERLY ON A STRAIGHT LINE, 62.62 FEET TO A POINT 114 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, AS MEASURED AT RIGHT ANGLES THERETO AND 47.41 FEET NORTHWESTERLY OF THE NORTH LINE OF MONTROSE AVENUE, MEASURED ON A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED PARALLEL LINE, 47.41 FEET TO THE NORTH LINE OF MONTROSE AVENUE;

THENCE WEST ON THE NORTH LINE OF MONTROSE AVENUE, A DISTANCE OF 277.84 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 112 DEGREES 08 MINUTES 08 SECONDS FROM EAST TO NORTHWEST, WITH SAID NORTH LINE OF MONTROSE AVENUE, A DISTANCE OF 42.60 FEET TO A POINT;

THENCE CONTINUING NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 168 DEGREES 33 MINUTES 30 SECONDS FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 422.14 FEET TO A POINT;

THENCE CONTINUING NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 177 DEGREES 45 MINUTES 33 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 26.51 FEET TO A POINT;

THENCE CONTINUING NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 183 DEGREES 10 MINUTES 25 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 131.04 FEET TO A POINT;

THENCE EASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 32.80 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE CLOCKWISE ANGLE OF 91 DEGREES, 31 MINUTES 33 SECONDS, FROM WEST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 180.32 FEET TO A POINT;

THENCE EASTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 94 DEGREES 52 MINUTES 30 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 15.43 FEET TO A POINT;

THENCE NORTHERLY, ALONG A STRAIGHT LINE, WHICH FORMS THE CLOCKWISE ANGLE OF 89 DEGREES 59 MINUTES 58 SECONDS, FROM WEST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 59.42 FEET TO A POINT;

THENCE NORTHWESTERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 178 DEGREES 16 MINUTES 20 SECONDS, FROM SOUTH THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 148.08 FEET TO A POINT;

THENCE NORTHERLY ALONG A STRAIGHT LINE, WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 178 DEGREES 07 MINUTES 36 SECONDS, FROM SOUTHEAST THROUGH EAST TO NORTH, WITH THE LAST DESCRIBED LINE, A DISTANCE OF 94.43 FEET TO A POINT;

THENCE EAST ALONG A STRAIGHT LINE WHICH FORMS THE COUNTER CLOCKWISE ANGLE OF 78 DEGREES 37 MINUTES 46 SECONDS, FROM SOUTH TO EAST, WITH THE LAST DESCRIBED LINE, SAID LINE BEING ALSO 168 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF WEST WILSON AVENUE, A DISTANCE OF 15.87 FEET TO A POINT ON A LINE.

SAID LINE BEING DEFINED AS HAVING A NORTHERLY TERMINUS ON THE SOUTH LINE OF WEST WILSON AVENUE 39.72 FEET WEST OF THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE AND A SOUTHERLY TERMINUS AT A POINT DEFINED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE; THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF BROADWAY 465 FEET; THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, 85 FEET; THENCE NORTHWESTERLY ON A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, 96 FEET;

THENCE SOUTHERLY ALONG SAID LINE

DEFINED AS HAVING A NORTHERLY TERMINUS ON THE SOUTH LINE OF WEST WILSON AVENUE 39.72 FEET WEST OF THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE AND A SOUTHERLY TERMINUS AT A POINT DEFINED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE WESTERLY LINE OF BROADWAY, FORMERLY EVANSTON AVENUE, WITH THE SOUTH LINE OF WILSON AVENUE; THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF BROADWAY 465 FEET; THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, 85 FEET; THENCE NORTHWESTERLY ON A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, 96 FEET; THENCE SOUTHWESTERLY ON A COURSE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 4.11 FEET TO THE SOUTHERLY TERMINUS OF SAID LINE.

A DISTANCE OF 213.71 FEET TO A POINT; SAID POINT BEING ALSO THE SOUTHERLY TERMINUS OF THE ABOVE DESCRIBED LINE:

THENCE EASTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 4.11 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 85 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 96 FEET TO A POINT;

THENCE NORTHEASTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 85 FEET TO A POINT ON THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF BROADWAY, A DISTANCE OF 10 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 70 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 25 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WEST LINE OF BROADWAY, A DISTANCE OF 25 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 95 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 200 FEET TO A POINT;

THENCE SOUTHWESTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 5 FEET TO A POINT;

THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 100 FEET SOUTHWESTERLY OF, MEASURED AT RIGHT ANGLES TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 400 FEET TO A POINT;

THENCE NORTHEASTERLY ALONG A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY, A DISTANCE OF 100.00 FEET TO A POINT ON THE WESTERLY LINE OF BROADWAY;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF BROADWAY, A DISTANCE OF 24.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common Address: Parcel Lying West of North Broadway Avenue and between West Wilson and West Montrose Avenues

PIN: 14-17-217-027-8001

EXHIBIT C-2

LEGAL DESCRIPTION OF AZUSA PROPERTY

THAT PART OF THAT NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF BROADWAY, 1,124 FEET SOUTHEASTERLY FROM THE SOUTH LINE OF WILSON AVENUE, MEASURED ALONG THE WESTERLY LINE OF BROADWAY; THENCE SOUTHWESTERLY ON A LINE PERPENDICULAR TO THE WESTERLY LINE OF BROADWAY 55 FEET; THENCE SOUTHWESTERLY 23.32 FEET TO A POINT 75 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO AND 12 FEET SOUTHERLY FROM THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY MEASURED AT RIGHT ANGLES THERETO; THENCE CONTINUING SOUTHERLY ON A STRAIGHT LINE 30.87 FEET TO A POINT 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO AND 40 FEET SOUTH OF THE FIRST DESCRIBED COURSE PRODUCED SOUTHWESTERLY MEASURED AT RIGHT ANGLES THERETO; THENCE SOUTHEASTERLY ON A LINE PARALLEL WITH AND 88 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO, 64.03 FEET; THENCE SOUTHERLY ON A STRAIGHT LINE 62.62 FEET TO A POINT 114 FEET SOUTHWESTERLY OF THE WESTERLY LINE OF BROADWAY, MEASURED AT RIGHT ANGLES THERETO, AND 47.41 FEET NORTHWESTERLY OF THE NORTH LINE OF MONTROSE AVENUE, MEASURED ON A LINE PARALLEL WITH THE WESTERLY LINE OF BROADWAY; THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED PARALLEL LINE 47.41 FEET TO NORTH LINE OF MONTROSE AVENUE; THENCE EAST ON THE NORTH LINE OF MONTROSE AVENUE 125.31 FEET, MORE OR LESS TO ITS INTERSECTION WITH THE WESTERLY LINE OF BROADWAY; THENCE NORTHWESTERLY ON THE WESTERLY LINE OF BROADWAY 260.43 FEET MORE OR LESS TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common Address: 4400-4428 North Broadway Avenue, Chicago, Illinois

PIN: 14-17-217-022-0000

EXHIBIT C-3

LEGAL DESCRIPTION OF MONTROSE PROPERTY

That part of the West one-half of the North East quarter of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian bounded and described as follows: Beginning at a point in the Westerly line of Broadway (formerly Evanston Avenue) 475 feet South Easterly from the South line of Wilson Avenue; thence continuing South Easterly on the Westerly line of Broadway 225 feet; thence South Westerly on a line perpendicular to the Westerly line of Broadway 95 feet; thence North Westerly on a line parallel with and 95 feet South Westerly of measured at right angles to the Westerly line of Broadway 200 feet; thence North Easterly on a line perpendicular to the Westerly line of Broadway 25 feet; thence North Westerly on line parallel with the Westerly line of Broadway 25 feet; thence North Easterly on line perpendicular to the Westerly line of Broadway 70 feet to the place of beginning, in Cook County, Illinois.

Permanent Index Number: 14-17-217-020-0000

EXHIBIT C-4

LEGAL DESCRIPTION OF ALDI PROPERTY

That part of the West one-half of the North East quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, bounded and described as follows: Beginning at a point on the Westerly line of Broadway (originally known as Evanston Avenue) 700 feet Southeasterly from the South line of Wilson Avenue, measured along the Westerly line of Broadway; thence Southwesterly on a line perpendicular to the Westerly line of Broadway, 100 feet, thence Southeasterly on a line parallel with and 100 feet Southwesterly of, measured at right angles, to the Westerly line of Broadway, 400 feet; thence Northeasterly on a line perpendicular to the Westerly line of Broadway 100 feet; thence Northwesterly on the Westerly line of Broadway 400 feet to the point of beginning, in Cook County, Illinois.

Permanent Index Numbers: 14-17-217-017-0000 and 14-17-217-021-0000

EXHIBIT C-5

DEPICTION OF EXCESS PARKING PROPERTY

See attached.

LEGAL DESCRIPTION -CTA LEASE PARCEL

LEASEHOLD ESTATE, AS CREATED BY THE LEASE DATED _____, 2005, BY AND BETWEEN THE CHICAGO TRANSIT AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LESSOR, AND WILSON YARD DEVELOPMENT I, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, LESSEE, A MEMORANDUM OF WHICH LEASE WAS RECORDED _____, 2005 AS DOCUMENT NUMBER _____, DEMISING AND LEASING FOR A TERM OF 35 YEARS BEGINNING _____, THAT PORTION OF THE FOLLOWING DESCRIBED PREMISES LYING UNDER AND ADJACENT TO THE RED LINE RAPID TRANSIT LINE, TO WIT:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF WEST MONTROSE AVENUE, SAID POINT BEING 403.17 FEET WEST FROM THE WESTERLY LINE OF BROADWAY (FORMERLY EVANSTON AVENUE) AS MEASURED ALONG THE NORTH LINE OF WEST MONTROSE AVENUE, AND RUNNING;

THENCE NORTH 89 DEGREES 59 MINUTES 39 SECONDS WEST (THE BASIS OF BEARING BEING ASSUMED) ALONG THE SAID NORTH LINE OF WEST MONTROSE AVENUE, A DISTANCE OF 55.33 FEET;

THENCE NORTH 11 DEGREES 44 MINUTES 30 SECONDS WEST, A DISTANCE OF 127.90 FEET, TO AN INTERSECTION WITH A LINE PARALLEL WITH SAID NORTH LINE OF WEST MONTROSE AVENUE;

THENCE NORTH 89 DEGREES 59 MINUTES 39 SECONDS WEST, ALONG SAID PARALLEL LINE, A DISTANCE OF 13.46 FEET TO AN INTERSECTION WITH THE EASTERLY LINE OF THE FORMER CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD RIGHT OF WAY;

THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE OF THE FORMER CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD RIGHT OF WAY, BEING HERE THE ARC OF A CIRCLE, NON TANGENT WITH THE LAST DESCRIBED PARALLEL LINE, HAVING A RADIUS OF 2,893.94 FEET, A CHORD BEARING NORTH 11 DEGREES 45 MINUTES 04 SECONDS WEST, AN ARC DISTANCE OF 92.78 FEET TO A POINT OF TANGENCY;

THENCE NORTH 12 DEGREES 40 MINUTES 09 SECONDS WEST ALONG SAID EASTERLY LINE OF THE FORMER CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD RIGHT OF WAY, BEING HERE A STRAIGHT LINE, A DISTANCE OF 407.86 FEET, TO AN INTERSECTION WITH A NON TANGENT CURVE;

THENCE CONTINUING NORTHWESTERLY ALONG SAID FORMER RIGHT OF WAY, BEING HERE AN ARC OF A CIRCLE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 5,973.63 FEET, A CHORD BEARING NORTH 11 DEGREES 47 MINUTES 12 SECONDS WEST, AN ARC DISTANCE OF 184.04 FEET TO AN INTERSECTION WITH A LINE NON TANGENT TO THE LAST DESCRIBED ARC;

THENCE NORTH 79 DEGREES 11 MINUTES 31 SECONDS EAST ALONG SAID LINE, A DISTANCE OF 128.16 FEET;

THENCE SOUTH 14 DEGREES 58 MINUTES 13 SECONDS EAST, A DISTANCE OF 21.95 FEET;

THENCE SOUTH 75 DEGREES 01 MINUTES 49 SECONDS WEST, A DISTANCE OF 15.43 FEET;

THENCE SOUTH 10 DEGREES 05 MINUTES 41 SECONDS EAST, AS DISTANCE OF 180.32 FEET;

THENCE SOUTH 78 DEGREES 22 MINUTES 45 SECONDS WEST, A DISTANCE OF 32.80 FEET;

THENCE SOUTH 11 DEGREES 37 MINUTES 15 SECONDS EAST, A DISTANCE OF 131.04 FEET;

THENCE SOUTH 08 DEGREES 26 MINUTES 50 SECONDS EAST, A DISTANCE OF 26.51 FEET;

THENCE SOUTH 10 DEGREES 41 MINUTES 17 SECONDS EAST, A DISTANCE OF 422.14 FEET;

THENCE SOUTH 22 DEGREES 07 MINUTES 48 SECONDS EAST, A DISTANCE OF 42.60 FEET, TO SAID NORTH LINE OF WEST MONTROSE AVENUE, AND THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

D

EXHIBIT D

REDEVELOPMENT PLAN

See attached.

Wilson Yard Redevelopment Project Area
Tax Increment Financing District
Eligibility Study, Redevelopment Plan And Project.

1.

Executive Summary.

In June 2000, S. B. Friedman & Company was engaged by the City of Chicago (the

"City") to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the "Redevelopment Plan"). This report details the eligibility factors found within the Wilson Yard Redevelopment Project Area (the "R.P.A.") Tax Increment Financing ("T.I.F.") District in support of its designation as a "conservation area" within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"). This report also contains the Redevelopment Plan and Project for the Wilson Yard R.P.A.

The Wilson Yard R.P.A. is located within the Uptown community area and consists of eight hundred nineteen (819) tax parcels on thirty-four (34) blocks and contains approximately one hundred forty-four (144) acres of land. Of the eight hundred nineteen (819) tax parcels, approximately four hundred twenty-seven (427) are condominiums or leaseholds associated with leases of tax exempt properties for commercial purposes. Therefore, the area contains approximately four hundred twenty-five (425) total parcels of land or properties.

Determination Of Eligibility.

This report concludes that the Wilson Yard R.P.A. is eligible for T.I.F. designation as a "conservation area" because fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more and because the following eligibility factors have been found to be present to a major extent:

- deterioration;
- structures below minimum code;
- inadequate utilities; and
- lack of growth in equalized assessed value.

Additionally, two (2) other eligibility factors are present to a minor extent and further demonstrate that the Wilson Yard R.P.A. is in a state of gradual decline. Left unchecked, these conditions could accelerate the decline of the community and, combined with those factors that have been documented to be present to a major extent, could lead to more widespread and intensive disinvestment. These factors are:

- deleterious land-use or layout; and

-- lack of community planning.

Redevelopment Plan Goal, Objectives And Strategies.

The overall goal of the T.I.F. Redevelopment Plan is to reduce or eliminate conditions that qualify the Wilson Yard R.P.A. as a conservation area and to provide the direction and mechanisms necessary to create a cohesive and vibrant mixed-use, mixed-income community and to preserve diversity in the area. Redevelopment of the R.P.A. will improve retail, commercial and housing conditions, improve the relationship between the area's diverse land uses, and attract private redevelopment. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Fourteen (14) broad objectives support the overall goal of area-wide revitalization of the Wilson Yard R.P.A.. These include:

1. retain the economic and cultural diversity of the population in the R.P.A. and support the preservation of existing community residences and businesses by ameliorating the potential negative impacts, including displacement, that new development may have on existing community residents and businesses;
2. facilitate the assembly, preparation and marketing of vacant and underutilized sites for new retail, commercial, light industrial and residential development, and off-street parking areas and provide for corrective actions to address environmental problems to permit development and redevelopment, as needed or appropriate;
3. facilitate the redevelopment of the C.T.A. Wilson Yard site in accordance with the Redevelopment Plan in a way that fits within and enhances the overall attractiveness of the community in terms of architectural style, Broadway-oriented street frontage and pedestrian-orientation, and is consistent with the McJunkin building in terms of height, scale and setback;
4. support the relocation of C.T.A. facilities on the Wilson Yard, as appropriate, to carry out the other objectives of this Redevelopment Plan;
5. encourage the improvement of the physical condition along Broadway between Wilson Avenue and Montrose Avenue including the rehabilitation of commercial buildings, the development of vacant or underutilized properties, provision of streetscaping and beautification elements, and

removal of driveways and curb cuts where possible and appropriate;

6. support the preservation and rehabilitation of existing multi-family and affordable housing throughout the R.P.A. and support the development of new for-sale and rental housing that could include a mixture of market-rate units and units affordable to moderate-, low- and very low-income households;
7. encourage the preservation and rehabilitation of retail and commercial businesses, institutional uses and architecturally and/or historically significant buildings and districts in the R.P.A.;
8. encourage streetscaping, landscaping and screening/buffering elements to visually link the area's diverse land uses and create a distinct identity for the area, as appropriate;
9. replace or repair infrastructure where needed, including sidewalks, streets, curbs, gutters, underground water and sanitary systems and viaducts to improve the overall image of the neighborhood and to support new development and redevelopment in the R.P.A., and provide resources for the extension of Sunnyside Avenue west of Broadway, as appropriate;
10. facilitate the improvement and expansion of existing public facilities as needed, such as Arai and Stewart Schools, and area parks;
11. coordinate the goals of this redevelopment plan with the goals and objectives of other underlying redevelopment plans and planning studies where appropriate and coordinate available federal, state and local resources, as appropriate;
12. encourage improvements in accessibility for persons with disabilities;
13. promote opportunities for women-owned, minority-owned and locally-owned businesses to share in the job and construction opportunities associated with the redevelopment of the Wilson Yard R.P.A.; and
14. support job training programs and increase employment opportunities, including welfare-to-work programs, for area residents and individuals working in area businesses.

Strategies. These objectives will be implemented through five (5) specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the Wilson Yard R.P.A. may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment and create a more conducive environment for retail, commercial and residential development. These improvements may include new streetscaping, street and sidewalk lighting, resurfacing of alleys, sidewalks and streets, improvement of underground water and sewer infrastructure, creation of parks and open space and other public improvements consistent with the Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities and may include the construction, rehabilitation, renovation or restoration of public improvements on one or more parcels.
2. **Develop Vacant And Underutilized Sites.** The redevelopment of vacant and underutilized sites within the Wilson Yard R.P.A. is expected to stimulate private investment and enhance the R.P.A.. Development of vacant and underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.
3. **Encourage Private Sector Activities And Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Redevelopment Plan and which maintain the integrity of the historically significant buildings and districts in the Wilson Yard R.P.A.

The City requires that developers who receive T.I.F. assistance for market-rate housing set aside at least twenty percent (20%) of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income. T.I.F. funds can also be used to pay for up to fifty percent (50%) of the cost of new construction or up to seventy-five percent (75%) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. Facilitate Property Assembly, Demolition, And Site Preparation. Specific sites listed in Appendix 3 may be acquired and assembled by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble sites to undertake projects supportive of this Redevelopment Plan.
5. Assist Existing Businesses And Residents. The City may provide assistance to support existing businesses, property owners, and residents in the R.P.A.. This may include financial and other assistance for rehabilitation, leasehold improvements, new construction, and the provision of affordable housing units. T.I.F. assistance may be used independently or with other housing programs to support new and rehabilitated rental and for-sale housing that could include a mixture of market-rate units and units affordable to moderate-, low- and very low-income households. Resources may also be available to businesses for job training, welfare-to-work and day care assistance. In addition, to the extent allowable under the law, locally-owned businesses and residents will be targeted to share in the employment, job and construction-related opportunities that may be offered by redevelopment within the Wilson Yard R.P.A.

Required Findings.

The conditions required under the Act for the adoption of the Redevelopment Plan and Project are found to be present within the Wilson Yard R.P.A.

While some market-based investment has occurred in the Wilson Yard R.P.A. over the last five (5) years, this investment has been minimal in scope and not part of any coordinated development strategy. The Wilson Yard R.P.A. is located entirely within Lake View Township. From 1994 to 1999 the growth of equalized assessed valuation ("E.A.V.", which is the value of property from which property taxes are based) in the Wilson Yard R.P.A. has lagged behind that of both the City of Chicago and Lake View Township. The compound annual growth rate of E.A.V. in the Wilson Yard R.P.A. was two and ninety-three hundredths percent (2.93%) between 1994 and 1999. This is eleven percent (11%) lower than the three and twenty-eight hundredths percent (3.28%) growth experienced by the City of Chicago during this period and thirty-five percent (35%) lower than the four and forty-nine hundredths percent (4.49%) growth rate experienced by Lake View Township.

Second, without the support of public resources, the redevelopment objectives of the Wilson Yard R.P.A. will most likely not be realized. T.I.F. assistance may be used to fund land assembly, site preparation, infrastructure improvements, improvements and expansions to public facilities, affordable housing, and building rehabilitation. The Wilson Yard is the key redevelopment site of this Redevelopment Plan. A fire in 1996 destroyed the elevated maintenance facility and the site is now partially used by Truman College as a parking lot. Despite its strategic location, its unusual shape, limited pedestrian and vehicular access, and fragmented use by the City Colleges and the C.T.A. also render the Wilson Yard a difficult-to-develop site. But for creation of the Wilson Yard R.P.A., these types of projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur without the benefits associated with the designation of the Wilson Yard R.P.A. as a tax increment financing district.

Third, the Wilson Yard R.P.A. includes only those contiguous parcels of real property that are expected to substantially benefit from the proposed Redevelopment Plan Improvements.

Finally, the proposed land uses described in this Redevelopment Plan will be approved by the Chicago Plan Commission prior to its adoption by the City Council. The redevelopment opportunities identified in earlier area planning initiatives will be substantially supported and their implementation facilitated through the creation of the Redevelopment Plan.

2.

Introduction.

The Study Area.

This document serves as the eligibility study ("Eligibility Study") and Redevelopment Plan and Project for the Wilson Yard Redevelopment Project Area. The Wilson Yard R.P.A. is located within the Uptown community area of the City of Chicago (the "City"), in Cook County (the "County"). In June 2000, S.B. Friedman & Company was engaged by the City to conduct a study of certain properties in this neighborhood to determine whether the area containing these properties would qualify for status as a "blighted area" and/or "conservation area" under the Act.

The community context of the Wilson Yard R.P.A. is detailed on Map 1.

The Wilson Yard R.P.A. consists of eight hundred nineteen (819) tax parcels with approximately two hundred eighty-nine (289) buildings and four hundred twenty-five (425) properties on thirty-four (34) blocks and contains approximately one hundred forty-four (144) acres of land. The R.P.A. is roughly rectangular in shape and is generally bounded by Lawrence and Leland Avenues on the north; Clarendon Avenue on the east; Montrose Avenue on the south; and Racine and Magnolia Avenues on the west.

Map 2 details the boundary of the Wilson Yard R.P.A. which includes only those contiguous parcels of real property that are expected to substantially benefit from the Redevelopment Plan improvements discussed herein. The boundaries encompass a mixed-use area containing commercial, residential, public/institutional and light industrial land uses that serve the surrounding neighborhood. As a whole, the area suffers from inadequate utilities, deteriorated buildings and infrastructure and incompatible land uses that lack adequate buffering and screening elements. Without a comprehensive approach to address these issues, the R.P.A. could fall into further disrepair, thereby minimizing future development opportunities. The redevelopment plan addresses these issues by providing resources for repairs and improvements to the area's infrastructure and public facilities, streetscaping and screening/buffering elements. These area-wide improvements will benefit all of the property within the R.P.A.

Appendix 1 contains the legal description of the Wilson Yard R.P.A.

The Eligibility Study covers events and conditions that exist and that were determined to support the designation of the Wilson Yard R.P.A. as a "conservation area" under the Act at the completion of our research on August 8, 2000 and not thereafter. These events or conditions include, without limitation, governmental actions and additional developments.

This Eligibility Study and Redevelopment Plan summarizes the analysis and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of S. B. Friedman & Company. The City is entitled to rely on the findings and conclusions of the Redevelopment Plan in designating the Wilson Yard R.P.A. as a redevelopment project area under the Act. S. B. Friedman & Company has prepared this Redevelopment Plan with the understanding that the City would rely (1) on the findings and conclusions of the Redevelopment Plan in proceeding with the designation of the Wilson Yard R.P.A. and the adoption and implementation of the Redevelopment Plan, and (2) on the fact that S. B. Friedman & Company has obtained the necessary information including, without limitation, information relating to the equalized assessed value of parcels comprising the Wilson Yard R.P.A., so that the Redevelopment Plan will comply with the Act and that the Wilson Yard R.P.A. can be designated as a redevelopment project area in compliance with the Act.

History Of Area⁽¹⁾.

The Wilson Yard R.P.A. is located within the Uptown Community Area which is generally bounded by Foster Avenue on the north; Irving Park Road on the south; Lake Michigan on the east; and Ravenswood Avenue on the west. The R.P.A. is approximately one-quarter (1/4) square mile in area, and Uptown as a whole is approximately three and five tenths (3.5) square miles. The R.P.A. is situated in the center of the community area.

In 1889, Uptown became part of Chicago when Lake View Township was annexed by the City. Uptown is comprised of three (3) areas. The central area, running north and south through the center of the community, contains commercial buildings with active businesses along Broadway and Sheridan and residential structures between Wilson and Lawrence. The western edge of the community is characterized mainly by single-family dwellings, many of which were built before World War I. Uptown's lakefront area, east of the central commercial corridor on Broadway, contains a number of institutional uses and several newer high-rise apartment buildings populated by middle- and upper-income residents.

The development of Uptown was fueled by the creation of the transportation networks in the neighboring Lincoln Square community in the early 1900s. The extension of the Broadway and Clark Streetcar lines attracted Chicagoans to Uptown in greater numbers. People were drawn to the Uptown Theater and the Riviera and Aragon Ballrooms, located in the heart of the Uptown community area near the intersection of Racine, Broadway and Lawrence Avenues. The area also was desirable for its beaches and proximity to Lake Michigan. The extension of Lake Shore Drive to Foster Avenue in 1933 also spurred development in Uptown by improving accessibility to the area.

Uptown continued to grow during the first half of the century, during which the population reached an historic high of eighty-four thousand (84,000) in 1950. To accommodate the growth in population, single-family dwellings and small apartment buildings were torn down and replaced with larger multi-family structures and high-rise apartment buildings. This trend was particularly noticeable along Winthrop and Kenmore Avenues, marking the beginning of the "Winthrop-Kenmore corridor" of high-density apartments. Overcrowding became acute and many of these units were divided into smaller, one-and two- room units which rented at a low cost.

(1) Information on the history of the Uptown community was derived from the *Local Community Fact Book Chicago Metropolitan Area 1990*, edited by the Chicago Fact Book Consortium, (copyright 1995, Board of Trustee of the University of Illinois) at pages 44 -- 45.

After 1950, the population of Uptown as a whole began to decline. While Uptown's lakefront experienced a boom in construction of high-rent, high-rise apartments and an increase in population, the central section, particularly the area north of Lawrence Avenue and also along Kenmore Avenue between Irving Park Road and Montrose Avenue, lost a significant portion of its population and housing stock. The western section of the community experienced little change in population or housing during this time.

The loss of population can be largely attributed to the housing boom and suburbanization of major United States cities after World War II which encouraged people living in Uptown and other areas of the City to purchase homes in the suburbs. As the population decreased from the central area and shifted to the eastern edge, Uptown's commercial corridor along Broadway began to decline. Major draws such as the Aragon Ballroom closed and other commercial buildings along the corridor were perceived as low-quality and obsolete. Tension developed between business owners who were trying to promote and revitalize commercial development and low-income residents who feared displacement. Both groups established organizations to promote their causes.

After the 1950s, the population of Uptown began a rapid transition as development patterns changed. The population loss that Uptown experienced during the 1950s was exacerbated by the development of large institutional uses in the 1960s and 1970s. The development of institutional uses in the eastern area of the community led to further residential displacement as did the development of Truman College in the central area. At the same time, there was an influx of a variety of ethnic groups into the area. In the 1960s, Native Americans from the Midwest moved to the area. Mexican-Americans, Japanese and Southeast Asians moved into the area in the 1970s and 1980s.

Today, despite the decline in its number of inhabitants, Uptown remains a culturally and economically diverse community. The changes in the population make up from the 1960s through the 1980s created a community of great ethnic and economic diversity. In 1990, approximately one-third ($\frac{1}{3}$) of all residents were foreign born. Fourteen percent (14%) of the area's population was Asian, about one-quarter ($\frac{1}{4}$) was African-American and almost another quarter ($\frac{1}{4}$) was Hispanic.

In addition, there is a great disparity between income levels within Uptown and those of the City of Chicago as a whole. More than one-fourth ($\frac{1}{4}$) of the families had median family incomes below the poverty level in 1990. According to the 1990 Census, median family incomes in the three (3) Census tracts located wholly or in part within the Wilson Yard R.P.A. were half ($\frac{1}{2}$) that of City: the average 1990 median family income was Fifteen Thousand Three Hundred Thirty-seven Dollars

(\$15,337), compared to Chicago's median family income of Thirty Thousand Seven Hundred and Seven Dollars (\$30,707).

One of the objectives of the Wilson Yard R.P.A. is the redevelopment of the Wilson Yard site, which is generally bounded by Montrose on the south, the Chicago Transit Authority (C.T.A.) Red Line on the west, Wilson on the north, and Broadway retail frontage on the east. The Wilson Yard is a five (5) acre site currently used by the C.T.A. as the center for maintenance for its north side operations. The C.T.A. first opened its operations on the Wilson Yard on May 31, 1900. A fire in 1996 destroyed an elevated maintenance facility and the site is now partially vacant and is being used by Truman College for parking. A number of C.T.A. maintenance and trade facilities are located on the site and are still active, including a C.T.A. sub-station and a ComEd sub-station, both located at the south end of the site. There are also plans to relocate the Wilson Station currently located north of Wilson Avenue to the Wilson Yard site.

The Wilson Yard R.P.A. as a whole is lacking investment by the private sector. Rehabilitation and development in the area has been minimal. Much of the area suffers from physical decay and outdated and deteriorated structures. The commercial corridors present a congested and unsafe pedestrian and vehicular environment at the five (5) way intersection at Sheridan/Broadway/Montrose numerous curb cuts along Broadway from Montrose to Leland. A coordinated redevelopment strategy is needed to address these issues to improve the existing physical conditions and increase pedestrian and vehicular safety to promote a safe and active mixed-use community.

Existing Land-Use.

Based upon S. B. Friedman & Company's research, six (6) land uses have been identified within the Wilson Yard R.P.A:

- residential;
- commercial;
- public/institutional (including public facilities, religious institutions, and social services);
- light industrial;
- parks/open space; and
- vacant Land.

The existing land-use pattern in the Wilson Yard R.P.A. is shown in Map 3. This map represents the predominant land-use in the area on a block-by-block basis. The predominant land-use displayed is not necessarily the only land-use present on a given block. Almost all blocks within the R.P.A. contain more than one (1) land-use. The mixed-use designation is used in those areas where no one (1) land-use category predominates. These areas contain two (2) or more of the following land uses: residential, commercial, institutional, or vacant land.

Overall, the area consists primarily of a mix of commercial, institutional and residential land uses. Commercial uses are located along Broadway and Wilson. Residential is located west of Racine, east of Sheridan, north of Leland, and is interspersed with other land uses in the center of the R.P.A., along Winthrop, Kenmore and Sheridan. Institutional uses are dispersed throughout the R.P.A. with the C.T.A. comprising the Wilson Yard and Truman College located west of Broadway. Other institutional uses include Arai Middle School and Stewart Elementary School. Public facilities located within the R.P.A. include two Chicago Park District parks and a fire station on Wilson Avenue.

Residential uses are interspersed throughout the R.P.A. and consist of multi-family rental and condominium developments, scattered-site affordable housing, single-room occupancy (S.R.O.) units and a small number of single-family homes. There also is a small number of residential units located above shops along Broadway, Sheridan and Montrose.

Commercial. Commercial and retail development is located primarily along Broadway and interspersed with residential and institutional uses along Sheridan and Wilson.

Public/Institutional. There are a number of public/institutional uses located throughout the R.P.A.. Institutional land uses include the C.T.A.-owned Wilson Yard and Truman College, both located west of Broadway between Montrose and Wilson; the Weiss Memorial Hospital parking structure, Arai and Stewart Schools, Columbus Maryville Children's Hospital and a fire station.

Light Industrial. Currently, there is one (1) light industrial facility located on Clifton Avenue, north of Wilson. The building currently is vacant.

Parks/Open Space. The R.P.A. contains two (2) small Chicago Park District parks: Bronco Billy Park located at 4437 North Magnolia Avenue and Aster Playlot located at 4639 North Kenmore Avenue.

Vacant Land. There is a small number of vacant parcels interspersed and distributed throughout the area.

3.

Eligibility Analysis.

Provisions Of The Illinois Tax Increment Allocation Redevelopment Act.

Based upon the conditions found within the Wilson Yard R.P.A. at the completion of S. B. Friedman & Company's research, it has been determined that the Wilson Yard R.P.A. meets the eligibility requirements of the Act as a conservation area. The following outlines the provisions of the Act to establish eligibility.

Under the Act, two (2) primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area".

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. These factors are identical for each designation with the exception that "abandonment" is an added eligibility factor under "conservation area" designation.

According to the Act, "blighted areas" must have a combination of five (5) or more of these eligibility factors acting in concert which threaten the health, safety, morals or welfare of the proposed district. "Conservation areas" must have a minimum of fifty percent (50%) of the total structures within the area aged thirty-five (35) years or older, plus a combination of three (3) or more additional eligibility factors which are detrimental to the public safety, health, morals or welfare and which could result in such an area becoming a blighted area.

Factors For Improved Property.

The thirteen (13) factors are listed at 65 ILCS 5/11-74.4-3 (a) and (b) and are defined in the Act as follows:

Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration including but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Presence Of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

Illegal Use Of Individual Structures. The use of structures in violation of the applicable federal, state or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

Lack Of Ventilation, Light Or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete or in disrepair, or (iii) lacking within the redevelopment project area.

Excessive Land Coverage And Overcrowding Of Structures And Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one (1) or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading and service.

Deleterious Land-Use Or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive or unsuitable for the surrounding area.

Environmental Clean-Up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack Of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

Lack Of Growth In Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the *Consumer Price Index for All Urban Consumers* published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

As explained, "blighted areas" must have a combination of five (5) or more of these eligibility factors and "conservation areas" must have a minimum of fifty percent (50%) of the total structures within the area aged thirty-five (35) years or older, plus a combination of three (3) or more additional eligibility factors.

Factors For Vacant Land.

Under the provisions of the "blighted area" section of the Act, if the land is vacant, a combination of two (2) or more of the following six (6) factors also may be identified which combine to impact the sound growth in tax base for the proposed district.

Obsolete Platting Of Vacant Land. Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys or other public rights-of-way or that omitted easements for public utilities.

Diversity Of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

Tax And Special Assessment Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.

Deterioration Of Structures Or Site Improvements In Neighboring Areas Adjacent To The Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

Environmental Clean-Up. The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

Lack Of Growth In Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the *Consumer Price Index for All Urban Consumers* published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the "blighted area" section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five (5) or more of the thirteen (13) "blighted area" eligibility factors were present immediately prior to demolition of the area's structures.

The vacant "blighted area" section includes six (6) other tests for establishing eligibility, but none of these are relevant to the conditions within the Wilson Yard R.P.A.

Methodology Overview And Determination Of Eligibility.

Analysis of eligibility factors was done through research involving an extensive exterior survey of all properties within the Wilson Yard R.P.A., as well as a review of building and property records. Property records include building code violation citations, building permit data, and assessor information. Our survey of the area established that there are two hundred eighty-nine (289) buildings within the Wilson Yard R.P.A.. In addition, to verify the age for the area buildings, field observations were compared to the recorded age of the buildings in property records obtained from the Assessor's office.

The areas located within the Wilson Yard R.P.A. are predominantly characterized by residential, mixed-use, commercial, and institutional structures of varying degrees of deterioration. All properties were examined for qualification factors consistent with either "blighted area" or "conservation area" requirements of the Act. Based upon these criteria, the properties within the Wilson Yard R.P.A. qualify for designation as a T.I.F. Redevelopment Project Area as a "conservation area" as defined by the Act.

To arrive at this designation, S. B. Friedman & Company calculated the number of eligibility factors present on a building-by-building, parcel-by-parcel or property-by-property basis and analyzed the distribution of the eligibility factors on a block-by-block basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings using Sanborn Maps, property files created from field observations and record searches. This information was then graphically plotted on a block map of the Wilson Yard R.P.A. to establish the distribution of eligibility factors, and to determine which factors were present to a major or minor extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent on most of the blocks and evenly distributed throughout the R.P.A. Minor factors are supporting factors present to a meaningful extent on some of the blocks or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

While it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent that indicates that public intervention is appropriate or necessary. Secondly, the distribution of conservation area factors must be reasonably distributed throughout the R.P.A. so that non-qualifying areas are not arbitrarily included in the R.P.A. simply because of proximity to areas that qualify as a conservation area.

Conservation Area Findings.

As required by the Act, within a conservation area, at least fifty percent (50%) of the buildings must be thirty-five (35) years of age or older, and at least three (3) of the thirteen (13) other eligibility factors must be found present to a major extent within the Wilson Yard R.P.A.

Establishing that at least fifty percent (50%) of the Wilson Yard R.P.A. buildings are thirty-five (35) years of age or older is a condition precedent to establishing the area as a conservation area under the Act. Taking into account information obtained from architectural characteristics, building configurations, information from the Cook County Assessor's Office, and the historic development patterns within the community, we have established that of the two hundred eighty-nine (289) buildings, two hundred forty-five (245) eighty-five percent (85%) within the Wilson Yard R.P.A. are thirty-five (35) years of age or older.

In addition to establishing that the Wilson Yard R.P.A. meets the age requirement, our research has revealed that the following four (4) factors are present to a major extent:

- Deterioration.
- Structures below minimum code standards.
- Inadequate utilities.
- Lack of growth in equalized assessed value.

Based on the presence of these factors, the R.P.A. meets the requirements of a "conservation area" under the Act. The R.P.A. is not yet blighted, but because of a combination of the factors present the R.P.A. may become a blighted area.

The widespread presence of deterioration of buildings and infrastructure illustrates the level of physical deficiencies within the Wilson Yard R.P.A.. Of the four hundred twenty-five (425) properties within the R.P.A., one hundred thirty-five (135) thirty-two percent (32%) exhibited deterioration of building or deterioration of infrastructure. This represents a total of nearly one (1) out of every three (3) properties throughout the R.P.A. with deterioration of building or infrastructure components. Overall, sixty-five percent (65%), or nearly two (2) out of every three (3) blocks or the portions of the blocks included in the R.P.A. exhibit some form of deterioration. In addition, code violation citations have implicated sixty-five percent (65%) of the buildings within the Wilson Yard R.P.A. between January, 1995 and June 2000. Three (3) out of every four (4) blocks seventy-four percent (74%) within the R.P.A. exhibit structures below minimum code standards to a major extent. This further underscores the documented physical deterioration of buildings throughout the R.P.A.

The condition of underground utilities within the R.P.A. is largely inadequate. Of the thirty-four (34) blocks within the R.P.A., twenty-four (24) seventy-one percent (71%) are serviced by antiquated water mains and sewers that are scheduled for or

are overdue for replacement due to insufficient capacities or age. Because of this, nearly three (3) out of every four (4) blocks within the R.P.A. is serviced in some manner by inadequate sewer or water lines.

The total equalized assessed value (E.A.V.) of the R.P.A. grew at a rate that was less than that of the balance of the municipality for four (4) of the last five (5) years (1994 -- 1999) for which information was available. Overall, the E.A.V. of the R.P.A. grew at a rate that was significantly lower than the growth rate for the City of Chicago. The total E.A.V. of the R.P.A. grew at a rate of two and ninety-three hundredths percent (2.93%) from 1994 to 1999 while the growth rate for the City of Chicago as a whole was three and twenty-eight hundredths percent (3.28%) during that same time period. The compound annual growth rate of E.A.V. in the R.P.A. also lagged behind that of Lake View Township, which was four and forty-nine hundredths percent (4.49%) during that time period. This indicates that the overall growth in property value within the R.P.A. has grown at a slower rate than that of the City and Township.

The Factors-By-Block Table in Appendix 2 details the conservation eligibility factors by block within the Wilson Yard R.P.A. Maps 4a through 4d illustrate the distribution of those conservation eligibility factors found to be present to a major extent by highlighting each block where the respective factors were found to be present to a meaningful degree. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the Wilson Yard R.P.A.

1. Deterioration.

Of the four hundred twenty-five (425) properties within the R.P.A., seventy (70) (seventeen percent (17%)) exhibited deterioration of buildings. Catalogued deterioration included major defects in building components including collapsed or missing gutters and down spouts, cracked, broken or missing windows, evidence of roof leaks, building foundation problems and cracked exterior wall surfaces. These are conditions not readily correctable through normal maintenance. Structural deterioration is indicative of an area that is at risk of becoming blighted without direct intervention.

In addition, deterioration was documented for much of the surface infrastructure within the R.P.A. Surface infrastructure was found to be deteriorated if damage to the sidewalks, curbs, parkways, street, or alley surfaces was so severe that significant repairs would be needed to restore them. Of the four hundred twenty-five (425) properties within the R.P.A., sixty-five percent (65) (fifteen percent (15%)) exhibited deterioration of infrastructure.

Combined, this represents a total of one hundred thirty-five (135) properties (thirty-two percent (32%)) or nearly one (1) out of every three (3) properties throughout the R.P.A. with deterioration of building or infrastructure components.

Overall, deterioration was considered to be present to a meaningful extent on sixty-five percent (65%) or two (2) out of every three (3) blocks within the Wilson Yard R.P.A.

2. Structures Below Minimum Code.

Relying upon data provided by the City's Department of Buildings, code violation citations were issued for one hundred eighty-eight (188) different property addresses within the Wilson Yard R.P.A. between January, 1995 and June, 2000. This continuing problem underscores the documented deterioration of buildings. Structures below code standards indicate that a building is in a current state of non-compliance and could potentially fall into more severe disrepair. The code violation citations have implicated sixty-five percent (65%) of the buildings within the Wilson Yard R.P.A. between January, 1995 and June, 2000.

This eligibility factor was present to a meaningful extent on seventy-four percent (74%) of the total blocks within the R.P.A. and on seventy-eight percent (78%) or three (3) out of every four (4) of the thirty-two (32) blocks with buildings within the Wilson Yard R.P.A.

3. Inadequate Utilities.

A review of the City's water and sewer atlases found that inadequate underground utilities affect nearly three-quarters (¾) of all of the blocks within the R.P.A.. Nearly three (3) out of every four (4) blocks within the R.P.A. are serviced by antiquated water mains that are either scheduled for or overdue for replacement. These deficiencies affect six hundred fourteen (614) (seventy-five percent (75%)) of the eight hundred nineteen (819) total parcels in the R.P.A. Some replacements are required because the water lines have reached the end of their one hundred (100) year useful service lives and others are needed because the water mains are of insufficient size to comply with modern capacity requirements.

Due to the age and condition of the sewer and water lines, inadequate utilities was found to be present to a meaningful extent on seventy-one percent (71%) of the blocks within the Wilson Yard R.P.A.

4. Lack Of Growth In Equalized Assessed Value.

The total equalized assessed value (E.A.V.) is a measure of the property value in the Wilson Yard R.P.A. A lack of growth in E.A.V. has been found for the R.P.A. in that the rate of growth in property values (as measured by E.A.V.) of the R.P.A. has been less than that of the balance of the City of Chicago for four (4) out of the last five (5) years for which information is available (1994 through 1999). The lack of growth in equalized assessed value within an area is one of the strongest indicators that the area as a whole has not been subject to growth and development by private enterprise.

Table 1.

Percent Change In Annual Equalized
Assessed Valuation (E.A.V.)

	Percent Change In E.A.V. 1994/1995	Percent Change In E.A.V. 1995/1996	Percent Change In E.A.V. 1996/1997	<i>Percent Change In E.A.V. 1997/1998*</i>	Percent Change In E.A.V. 1998/1999
Wilson Yard R.P.A.	0.59	0.80	7.73	<i>3.41</i>	3.59
City of Chicago (balance of)	0.97	1.26	8.40	<i>1.77</i>	4.17

The percent change in E.A.V. of the R.P.A. was lower than that of the balance of the City of Chicago for four (4) of the last five (5) years. Therefore, the R.P.A. as a whole qualifies for the Lack of Growth in E.A.V. factor.

* The 1997/1998 period is in italics to indicate that it is a non-qualifying year.

This eligibility factor was analyzed area-wide and is considered to be present to a meaningful extent for the entire Wilson Yard R.P.A.

Minor Supporting Factors.

In addition to the factors that previously have been documented as being present to a major extent in the Wilson Yard R.P.A., two (2) additional factors are present to a minor extent. These additional factors demonstrate that the Wilson Yard R.P.A. is gradually declining through disinvestment. Left unchecked, these conditions could accelerate the decline of the community, and combined with those factors that have been used to qualify the R.P.A. as a conservation area, could lead to more widespread and intensive commercial and residential disinvestment.

1. Deleterious Land-Use Or Layout.

Deleterious land-use and layout was evaluated on a parcel-by-parcel and area-wide basis. This factor may be present regardless of whether or not a structure exists on a parcel. Therefore, it was necessary to evaluate deleterious land-use and layout in this manner. Deleterious land-use or layout was found to be present in three (3) general areas within the R.P.A.:

- Arai Middle School. The blocks associated with Arai Middle School illustrate deleterious street layout and lack of buffering between the school and surrounding residential uses. The school is situated in the middle of the blocks that include West Wilson Avenue on the south, North Sheridan Road on the west, West Leland Avenue on the north, and North Clarendon Avenue on the east, Eastwood and Leland Avenues are east/west vehicular rights-of-way that intersect Arai School between North Sheridan Road and North Clarendon Avenue. Both streets allow vehicular traffic from North Sheridan Road east to the center of the block, where they dead-end into pedestrian walkways leading to the school. Both West Eastwood and West Leland Avenues resume vehicular access just east of the school to North Clarendon Avenue. These closed streets could potentially cause unsafe pedestrian and/or vehicular movement, especially with the concentrated number of school children and residences in the immediate area.
- Truman College. The blocks located south and southwest of Truman College illustrate incompatible land-use relationships and lack of buffering between the surrounding residential uses and the College. The intersection of West Sunnyside Avenue and North Racine Avenue is uncontrolled. The lack of proper signage may result in unsafe pedestrian and/or vehicular movement in an area with heavy foot traffic from the students and employees of the College.

- Broadway Corridor. Deleterious land-use and layout exists in several forms in the blocks located primarily along North Broadway between West Montrose Avenue and West Leland Avenue. The following instances of deleterious land-use and layout were observed in this area:
- a substantial number of irregularly shaped parcels, with shallow lot depths that are not conducive to modern commercial uses and may be difficult or costly to assemble;
- the commercial buildings and retail storefronts that are located along North Broadway between West Wilson and West Leland Avenues are located below the C.T.A. elevated train tracks that run along this area of North Broadway and are shaded and shadowed by the tracks overhead. The elevated tracks darken the area which may cause pedestrians who shop and live in the R.P.A. to feel unsafe, especially at night because of poor lighting. In addition, the poor visibility of these commercial storefronts and retail displays may hinder the ability to lease retail space to potential businesses;
- the North Broadway thoroughfare from West Montrose Avenue to West Leland Avenue has numerous curb cuts that interrupt the streetscape, cause stop-and-go traffic patterns, and make pedestrian movement unsafe. A fragmented streetscape does not encourage pedestrian movement and is not conducive to promoting a walkable commercial corridor;
- the five (5) way intersection at West Montrose Avenue, North Sheridan Road, and North Broadway and the three (3) way intersection at North Broadway Avenue, North Kenmore Avenue and West Sunnyside Avenue pose hazards to pedestrians and vehicles because of the large number of vehicular turning movements.

The presence of such instances of deleterious land-use and layout limit the development opportunities in key areas of the Wilson Yard R.P.A. The combination of insufficient vehicular access, lack of proper signage, unsafe pedestrian and vehicular movement, and shallow lot depths aggravate traffic patterns, pose special hazards for pedestrians who shop or live in the R.P.A., and limit potential redevelopment opportunities.

Some form of deleterious land-use or layout was considered to be meaningfully present on nineteen (19) five and six tenths percents (5.6%) of the thirty-four (34) blocks in the R.P.A.

2. Lack Of Community Planning.

Lack of community planning is an area-wide factor, not necessarily attributable to any one (1) parcel. The Wilson Yard R.P.A. was developed prior to the implementation or guidance of a comprehensive community plan. This is evidenced by areas with antiquated water lines, deleterious street layouts and lack of buffering between land uses. In addition, many parcels along Broadway were assembled into lots that are irregularly-shaped and shallow, and therefore do not meet contemporary development standards. Lack of community planning limits potential redevelopment opportunities within the R.P.A.

This eligibility factor is present throughout the Wilson Yard R.P.A.

4.

Redevelopment Project And Plan.

Redevelopment Needs Of The Wilson Yard R.P.A.

The existing land-use pattern and physical conditions in the Wilson Yard R.P.A. suggest six (6) redevelopment needs for the area:

1. property assembly, demolition and site preparation;
2. infrastructure improvements, streetscaping along Broadway and buffering/screening between land uses;
3. commercial and residential development and rehabilitation;
4. preservation and development of affordable housing units;
5. improvement and expansion of public facilities and other supportive land uses; and
6. job training and day care assistance.

The Redevelopment Plan identifies the tools that the City will use to guide redevelopment in the Wilson Yard R.P.A. to create a cohesive and vibrant mixed-use community. Currently, the Wilson Yard R.P.A. is characterized by signs of deteriorated buildings and infrastructure, vacant and underutilized parcels,

conflicting land uses, and an overall lack of growth in property values.

The goals, objectives, and strategies discussed below have been developed to address these needs and facilitate the sustainable redevelopment of the Wilson Yard R.P.A. The proposed public improvements outlined in the Redevelopment Plan will help create an environment conducive to private investment and redevelopment within the Wilson Yard R.P.A. To support specific projects and encourage future investment in the R.P.A., public resources, including tax increment financing, may be used to: facilitate property assembly; demolition; site preparation; improve or repair R.P.A. infrastructure; provide streetscaping, landscaped buffers, and screening elements between land uses; develop and rehabilitate commercial and residential buildings and/or units; preserve and develop affordable housing units; improve, build, and/or expand existing public facilities; and provide job training and day care assistance. In addition, tax increment financing may be used to finance new construction of affordable housing and subsidize developer interest costs related to redevelopment projects.

Goals, Objectives And Strategies.

Goals, objectives and strategies designed to address the needs of the community form the overall framework of the Redevelopment Plan for the use of anticipated tax increment funds generated within the Wilson Yard R.P.A.

Goal. The overall goal of the T.I.F. Redevelopment Plan is to reduce or eliminate conditions that qualify the Wilson Yard R.P.A. as a conservation area and to provide the direction and mechanisms necessary to create a cohesive and vibrant mixed-use, mixed-income community and to preserve diversity in the area. Redevelopment of the R.P.A. will improve retail, commercial, and housing conditions, improve the relationship between the area's diverse land uses and attract private redevelopment. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Fourteen (14) broad objectives support the overall goal of area-wide revitalization of the Wilson Yard R.P.A. These include:

1. retain the economic and cultural diversity of the population in the R.P.A. and support the preservation of existing community residences and businesses by ameliorating the potential negative impacts, including displacement, that new development may have on existing community residents and businesses;

2. facilitate the assembly, preparation, and marketing of vacant and underutilized sites for new retail, commercial, light industrial, and residential development, and off-street parking areas, and provide for corrective actions to address environmental problems to permit development and redevelopment, as needed or appropriate;
3. facilitate the redevelopment of the C.T.A. Wilson Yard site in accordance with the Redevelopment Plan in a way that fits within and enhances the overall attractiveness of the community in terms of architectural style, Broadway-oriented street frontage, and pedestrian-orientation, and is consistent with the McJunkin building in terms of height, scale and setback;
4. support the relocation of C.T.A. facilities on the Wilson Yard, as appropriate, to carry out the other objectives of this Redevelopment Plan;
5. encourage the improvement of the physical condition along Broadway between Wilson Avenue and Montrose Avenue including the rehabilitation of commercial buildings, the development of vacant or underutilized properties, provision of streetscaping and beautification elements, and removal of driveways and curb cuts where possible and appropriate;
6. support the preservation and rehabilitation of existing multi-family and affordable housing throughout the R.P.A. and support the development of new for-sale and rental housing that could include a mixture of market-rate units and units affordable to moderate-, low- and very low-income households;
7. encourage the preservation and rehabilitation of retail and commercial businesses, institutional uses, and architecturally and/or historically significant buildings and districts in the R.P.A.;
8. encourage streetscaping, landscaping, and screening/buffering elements to visually link the area's diverse land uses and create a distinct identity for the area, as appropriate;
9. replace or repair infrastructure where needed, including sidewalks, streets, curbs, gutters, underground water and sanitary systems, and viaducts to improve the overall image of the neighborhood and to support new development and redevelopment in the R.P.A., and provide resources for the extension of Sunnyside Avenue west of Broadway, as appropriate;
10. facilitate the improvement and expansion of existing public facilities as needed, such as Arai and Stewart Schools and area parks;

11. coordinate the goals of this redevelopment plan with the goals and objectives of other underlying redevelopment plans and planning studies where appropriate, and coordinate available federal, state and local resources, as appropriate;
12. encourage improvements in accessibility for persons with disabilities;
13. promote opportunities for women-owned, minority-owned, and locally-owned businesses to share in the job and construction opportunities associated with the redevelopment of the Wilson Yard R.P.A.; and
14. support job training programs and increase employment opportunities, including welfare-to-work programs, for area residents and individuals working in area businesses.

Strategies. These objectives will be implemented through five (5) specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the Wilson Yard R.P.A. may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for retail, commercial, and residential development. These improvements may include new streetscaping, street and sidewalk lighting, resurfacing of alleys, sidewalks and streets, improvement of underground water and sewer infrastructure, creation of parks and open space, and other public improvements consistent with the Redevelopment Plan. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation or restoration of public improvements on one (1) or more parcels.
2. **Develop Vacant And Underutilized Sites.** The redevelopment of vacant and underutilized sites within the Wilson Yard R.P.A. is expected to stimulate private investment and enhance the R.P.A. Development of vacant and underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.
3. **Encourage Private Sector Activities And Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake rehabilitation and redevelopment projects

and other improvements that are consistent with the goals of this Redevelopment Plan and which maintain the integrity of the historically significant buildings and districts in the Wilson Yard R.P.A.

The City requires that developers who receive T.I.F. assistance for market-rate housing set aside at least twenty percent (20%) of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income. T.I.F. funds can also be used to pay for up to fifty percent (50%) of the cost of new construction or up to seventy-five percent (75%) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

4. Facilitate Property Assembly, Demolition, and Site Preparation. Specific sites listed in Appendix 3 may be acquired and assembled by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble sites to undertake projects supportive of this Redevelopment Plan.

To meet the goals, policies or objectives of this Redevelopment Plan, the City may acquire and assemble other property throughout the R.P.A. Land assemblage by the City may be done by purchase, exchange, donation, lease, eminent domain, or through the Tax Reactivation Program and may be for the purposes of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written development agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

Map 5 -- Land Acquisition Overview Map, indicates three (3) parcels currently proposed to be acquired for redevelopment in the project area. Appendix 3 contains a list of the acquisition parcels by block and Permanent Index Number (P.I.N.). These parcels may be acquired to

facilitate the redevelopment of the Wilson Yard site, consistent with the goals and objectives of this Redevelopment Plan.

In connection with the City exercising its powers to acquire real property currently identified on the Land Acquisition Overview Map (Map 5) and listed in Appendix 3, including the exercise of the power of eminent domain, under the Act in implementing this Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan. Relocation assistance may be provided to facilitate redevelopment of portions of the R.P.A., and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and/or financial assistance as determined by the City.

For properties described on Map 5, the acquisition of occupied properties by the City shall commence within four (4) years from the date of the publication of the ordinance approving this Redevelopment Plan. Acquisition shall be deemed to have commenced with the sending of an offer letter. After the expiration of this four (4) year period, the City may acquire such property pursuant to this Redevelopment Plan under the Act according to its customary procedures as described in the preceding paragraph.

5. Assist Existing Businesses And Residents. The City may provide assistance to support existing businesses, property owners, and residents in the R.P.A.. This may include financial and other assistance for rehabilitation, leasehold improvements, new construction, and the provision of affordable housing units. T.I.F. assistance may be used independently or with other housing programs to support new and rehabilitated rental and for-sale housing that could include a mixture of market-rate units and units affordable to moderate-, low- and very low-income households. Resources may also be available to businesses for job training, welfare-to-work and day care assistance. In addition, to the extent allowable under the law, locally-owned businesses and residents will be targeted to share in the employment job and construction-related opportunities that may be offered by redevelopment within the Wilson Yard R.P.A.

These activities are representative of the types of projects contemplated to be undertaken during the life of the Wilson Yard R.P.A.. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Further, additional projects may be identified throughout the life of the Wilson Yard R.P.A.. To the extent that these projects meet the goals of this Redevelopment Plan and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

Proposed Future Land-Use.

The proposed future land-use of the Wilson Yard R.P.A. reflects the objectives of the Redevelopment Plan, which work to provide direction for the marketing of vacant sites in the R.P.A. to redevelopment activities. The proposed objectives are compatible with historic land-use patterns and support current development trends in the area.

These proposed future land uses are detailed on Map 6. As noted on Map 6, the uses listed are to be predominant uses for the area indicated, and are not exclusive of any other uses.

Housing Impact And Related Matters.

As set forth in the Act, if the redevelopment plan for the redevelopment project area would result in the displacement of residents from ten (10) or more inhabited residential units, or if the redevelopment project area contains seventy-five (75) or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The project area contains approximately four thousand eighty-two (4,082) occupied residential units, including nine (9) single-family buildings, two hundred sixty-nine (269) condominium units, eight hundred fifty-four (854) units above commercial or institutional uses, and two thousand nine hundred fifty (2,950) units in multi-family buildings. The City does not intend to acquire or displace by any other means, any of these units. The City of Chicago hereby certifies that no displacement will occur as a result of activities pursuant to this Redevelopment Plan.

5.

Financial Plan.

Eligible Costs.

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this plan pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. Some of the costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan, including but not limited to, staff and professional service costs for architectural engineering, legal, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services, related hard and soft costs, and other related expenses; provided, however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and clearing and grading of land, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
3. costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements;
4. costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

5. costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area;
6. financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter and including reasonable reserves related thereto and interest accruing during a construction period;
7. all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. an elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
9. relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or under the Act;
10. payment in lieu of taxes;
11. costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one (1) or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and taxing district(s), which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the

number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of cost pursuant to Sections 10-22.20a and 10-23.3a of the School Code as cited in the Act;

12. interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph 13 then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d. the total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - e. the percentage increases from thirty percent (30%) to seventy-five percent (75%) for the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;
 - f. instead of the interest costs described above in paragraphs 12b. and 12d., a municipality may pay from tax incremental revenues up to fifty percent (50%) of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental)

to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;

13. the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county, or regional median income as determined from time to time by the United States Department of Housing and Urban Development;
14. unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

Estimated Redevelopment Project Costs.

The estimated eligible costs of this Redevelopment Plan are shown in Table 2. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan. Additional funding in the form of State and Federal grants, private developers contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

Table 2.

Estimated T.I.F. Eligible Costs.

Project/Improvements	Estimated Project Costs*
Professional Services	\$ 1,400,000
Property Assembly: including site preparation and environmental remediation	7,200,000
Rehabilitation Costs (Commercial and Residential)	14,400,000
Eligible Construction Costs	5,000,000
Relocation	1,700,000
Public Works or Improvements ⁽¹⁾	7,400,000
Job Training	3,100,000
Interest Costs	5,800,000
Day Care	2,000,000
TOTAL REDEVELOPMENT COSTS⁽²⁾:	\$58,000,000

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

- (1) This category also may include the reimbursement of capital costs of taxing districts including schools resulting from the redevelopment project necessarily incurred in the furtherance of the objectives of the Redevelopment Project Area Plan and Project to the extent the City by written agreement accepts and approves such costs.
- (2) All costs are in 2000 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the United States Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in Table 2 are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(g) (11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Redevelopment Plan. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

Phasing And Scheduling Of The Redevelopment.

Each private project within the Wilson Yard R.P.A. shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2025, if the ordinances establishing the R.P.A. are adopted at the beginning of 2001).

Sources Of Funds To Pay Costs.

Funds necessary to pay for redevelopment project costs and/or municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The City may incur Redevelopment Project Costs which are paid from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the certified initial equalized assessed value of each such property. Without the use of such incremental revenues, the redevelopment project area is not likely to redevelop.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The Wilson Yard R.P.A. is contiguous to the proposed Lawrence/Broadway Redevelopment Project Area and may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The City may utilize net incremental property tax revenues received from the Wilson Yard R.P.A. to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Wilson Yard R.P.A. made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Wilson Yard R.P.A., shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

The Wilson Yard R.P.A. may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.61-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project

areas or those separated only by a public right-of-way are interdependent with those of the Wilson Yard R.P.A., the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Wilson Yard R.P.A. be made available to support any such redevelopment project areas, and vice versa. The City, therefore, proposes to utilize net incremental revenues received from the Wilson Yard R.P.A. to pay eligible redevelopment projects costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Wilson Yard R.P.A. and such areas. The amount of revenue from the Wilson Yard R.P.A. so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Wilson Yard R.P.A. or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance Of Obligations.

To finance project costs, the City may issue bonds or obligations secured by the anticipated tax increment revenue generated within the Wilson Yard R.P.A., or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits or other forms of security made available by private sector developers to secure such obligations. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One (1) or more of a series of obligations may be sold at one (1) or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked, or otherwise designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to area taxing districts in the manner provided by the Act.

Most Recent Equalized Assessed Valuation Of Properties In The Redevelopment Project Area.

The purpose of identifying the most recent equalized assessed valuation ("E.A.V.") of the Wilson Yard R.P.A. is to provide an estimate of the initial E.A.V. which the Cook County Clerk will certify for the purpose of annually calculating the incremental E.A.V. and incremental property taxes of the Wilson Yard R.P.A.. The 1999 E.A.V. of all taxable parcels in the Wilson Yard R.P.A. is approximately Fifty-seven Million Eight Hundred Thousand Dollars (\$57,800,000). This total E.A.V. amount by Permanent Index Number is summarized in Appendix 4. The E.A.V. is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial E.A.V. from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County. If the 2000 E.A.V. shall become available prior to the date of adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1999 E.A.V. with the 2000 E.A.V. without further City Council action.

Anticipated Equalized Assessed Valuation.

By 2024, the E.A.V. for the Wilson Yard R.P.A. will be approximately One Hundred Twenty-six Million Six Hundred Thousand Dollars (\$126,600,000). This estimate is based on several key assumptions, including: 1) an inflation factor of two percent (2%) per year on the E.A.V. of all properties within the Wilson Yard R.P.A., with its cumulative impact occurring in each triennial reassessment year; 2) an equalization factor of 2.2505; and 3) a tax rate of eight and five hundred thirty-six thousandths percent (8.536%) for the duration of the Wilson Yard R.P.A..

6.

*Required Findings And Tests.***Lack Of Growth And Private Investment.**

The City is required under the Act to evaluate whether or not the R.P.A. has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

While some market-based investment has occurred in the Wilson Yard R.P.A. over the last five (5) years, this investment has been minimal in scope and not part of any coordinated development strategy. The Wilson Yard R.P.A. is located entirely within Lake View Township. From 1994 to 1999 the growth of equalized assessed valuation ("E.A.V.", which is the value of property from which property taxes are based) in the Wilson Yard R.P.A. has lagged behind that of both the City of Chicago and Lake View Township. The compound annual growth rate of E.A.V. in the Wilson Yard R.P.A. was two and ninety-three hundredths percent (2.93%) between 1994 and 1999. This is eleven percent (11%) lower than the three and twenty-eight hundredths percent (3.28%) growth experienced by the City of Chicago during this period and thirty-five percent (35%) lower than the four and forty-nine hundredths percent (4.49%) growth rate experienced by Lake View Township.

Finding: The Redevelopment Project Area (Wilson Yard R.P.A.) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

But For....

The City is required to find that, but for the designation of the T.I.F. district and the use of tax increment financing, it is unlikely that significant investment will occur in the Wilson Yard R.P.A.

Without the support of public resources, the redevelopment objectives of the Wilson Yard R.P.A. would most likely not be realized. The scope of area-wide improvements and development assistance resources needed to rehabilitate the Wilson Yard R.P.A. as a viable mixed-use district are expensive, and the private market, on its own, is not likely to absorb all these costs. Resources to assist with site assembly and preparation, public infrastructure improvements, and private property rehabilitation are needed to leverage private investment and facilitate area-wide redevelopment consistent with the Redevelopment Plan. T.I.F. funds will be

used to fund land assembly, site preparation, infrastructure improvements and building rehabilitation. Accordingly, but for creation of the Wilson Yard R.P.A., these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur without T.I.F. designation for the Wilson Yard R.P.A.

Finding: But for the adoption of this Redevelopment Plan, critical resources will be lacking that would otherwise support the redevelopment of the Wilson Yard R.P.A. and the Wilson Yard R.P.A. would not reasonably be anticipated to be developed.

Conformance To The Plans Of The City.

The Wilson Yard R.P.A. and Redevelopment Plan must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Redevelopment Plan will be approved by the Chicago Plan Commission prior to its adoption by the City Council.

Dates Of Completion.

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5 above.

Financial Impact Of The Redevelopment Project.

As explained above, without the adoption of this Redevelopment Plan and tax increment financing, the Wilson Yard R.P.A. is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire area will become a less attractive place to maintain and improve existing buildings and sites. The lagging growth of property values also may lead to a decline of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. The redevelopment program will be staged gradually over the life of the Wilson Yard R.P.A.. If a redevelopment project is successful, various new

projects will be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting rehabilitation and development in the Wilson Yard R.P.A.

This Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in E.A.V. over and above the certified initial E.A.V. (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the Wilson Yard R.P.A.. At the time when the Wilson Yard R.P.A. is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the Wilson Yard R.P.A. will be distributed to all taxing district levying taxes against property located in the Wilson Yard R.P.A.. These revenues will then be available for use by the affected taxing districts.

Demand On Axing District Services And Program To Address Financial And Service Impact.

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

The City intends to monitor development in the areas and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The following major taxing districts presently levy taxes on properties located within the Wilson Yard R.P.A. and maintain the listed facilities within the boundaries of the R.P.A., or within close proximity (three (3) to five (5) blocks) to the R.P.A. boundaries:

- = those facilities located within the boundaries of the R.P.A.
- = those facilities located within close proximity (but outside the boundaries) of the R.P.A.

City Of Chicago.

- Chicago Fire Department -- Engine Company 83 (4600 North Racine Avenue).
- Bureau of Sanitation, 46th Ward Office (4740 North Sheridan Road).

Chicago Board Of Education.

- Arai Middle School (900 West Wilson Avenue).
- Stewart Elementary School (4525 North Kenmore Avenue).
- Brennemann School (4251 North Clarendon Avenue).
- McCutcheon School (4865 North Sheridan Road).
- Stockton Elementary School (4420 North Beacon Street).

Chicago School Finance Authority.

Chicago Park District.

- Aster Playlot (4639 North Kenmore Avenue).
- Bronco Billy Park (4437 North Magnolia Avenue).
- Gooseberry Playground Park (4648 North Malden Street).
- Hickory Playlot Park (4834 North Winthrop Avenue).
- Buena Circle Playlot Park (1049 West Buena Circle).

Chicago Community College District 508.

- Truman College (1145 West Wilson Avenue).

Metropolitan Water Reclamation District Of Greater Chicago.

County Of Cook.

Cook County Forest Preserve District.

Map 7 illustrates the locations of facilities operated by the above listed taxing districts within or in close proximity to the Wilson Yard R.P.A.

Redevelopment activity may cause increased demand for services from one (1) or more of the above listed taxing districts. The anticipated nature of increased demands for services on these taxing districts and the proposed activities to address increased demand are described below.

City Of Chicago. The City is responsible for a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing and zoning codes.

Replacement of vacant and underutilized buildings and sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. In addition to several public service facilities operated by the City within the Wilson Yard R.P.A., there also are public facilities in close proximity to the area. Additional costs to the City for police, fire, library circulation, and recycling and sanitation services arising from residential and non-residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the Wilson Yard R.P.A. can be handled adequately by City police, fire protection, library, sanitary collection and recycling services and programs maintained and operated by the City. The impact of the Wilson Yard R.P.A. will not require expansion of services in this area.

Chicago Board Of Education And Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth (12th) grade.

It is likely that some families who purchase housing or rent new apartments in the Wilson Yard R.P.A. will send their children to public schools, putting increased demand on area school districts. However, it is unlikely that the scope of new residential construction would exhaust existing capacity. Many of the new homeowners or renters may come from the immediate neighborhood or may send their children to private schools, which would not impact the public school system. Existing absorption capacity was verified through data provided from the Department of Operations at the Chicago Public Schools (C.P.S.). These data reveal that for all the public schools that serve the area immediately surrounding the Wilson Yard R.P.A. for which capacity data was available, existing enrollment is at approximately sixty-four percent (64%) of existing capacity. This means that an increase in the number of students in the area can be supported. The City intends to monitor development in the Wilson Yard R.P.A. and, with the cooperation of the Board of Education, will attempt to ensure that any increased demands for the services and capital improvements provided by the Board of Education are addressed in connection with each new residential project.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities through the City and for the provision of recreation programs.

It is expected that the households that may be added to the Wilson Yard R.P.A. may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the Wilson Yard R.P.A. and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development.

Community College District 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

It is expected that any increase in demand for services from Community College District 508 can be handled adequately by the district's existing service capacity, programs and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

Metropolitan Water Reclamation District. This district provides the main trunk lines for the collection of waste water from cities, villages and towns and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Wilson Yard R.P.A. can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

County Of Cook. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the preliminary nature of the Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot accurately be assessed within the scope of this plan.

7.

Provisions For Amending Action Plan.

This Redevelopment Plan and Project document may be amended pursuant to the provisions of the Act.

8.

*Commitment To Fair Employment Practices
And Affirmative Action Plan.*

The City is committed to and will require developers to follow and affirmatively implement the following principles with respect to this Redevelopment Plan. However, the City may implement programs aimed at assisting small businesses which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan and project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, et cetera without regard to race, color, religion, sex, age, handicapped status, national origin, sexual preference, creed or ancestry.
- B. Meeting City standards for participation of Minority Business Enterprise and Women Business Enterprise businesses as required in redevelopment agreements.
- C. The commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.

[Appendix 1 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on pages 62425 through 62430 of this Journal.]

[Appendix 2 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project printed on page 62394 of this Journal.]

[Appendix 4 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project printed on pages 62395 through 62411 of this Journal.]

[Map 2 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 62431 of this Journal.]

[Maps 1, 3, 4A, 4B, 4C, 4D, 5 and 6 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project printed on pages 62412 through 62419 of this Journal.]

Appendix 3 referred to in this Wilson Yard Redevelopment Project Area Tax Increment Financing Eligibility Study, Redevelopment Plan and Project reads as follows:

Appendix 3.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing Eligibility Study, Redevelopment Plan And Project)

Acquisition Parcels.

Parcels Recommended For Acquisition By Permanent Index Number (P.I.N.).

Number	Permanent Index Number	Property Address	Use
1	14-17-217-017-0000	4458 North Broadway	Aldi Supermarket
2	14-17-217-020-0000	4430 North Broadway	Vacant Land
3	14-17-217-021-0000	4442 North Broadway	Aldi Supermarket Parking Lot

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 1 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)	
1	14	-	17	-	111	-	017 - 0000	\$ 84,135	\$ 189,341
2	14	-	17	-	111	-	021 - 0000	EX	EX
3	14	-	17	-	118	-	022 - 0000	\$ 144,377	\$ 324,920
4	14	-	17	-	118	-	023 - 0000	EX	EX
5	14	-	17	-	124	-	010 - 0000	EX	EX
6	14	-	17	-	124	-	011 - 0000	EX	EX
7	14	-	17	-	124	-	012 - 0000	\$ 34,456	\$ 77,543
8	14	-	17	-	124	-	015 - 0000	\$ 20,810	\$ 46,833
9	14	-	17	-	124	-	016 - 0000	\$ 162,574	\$ 365,873
10	14	-	17	-	125	-	001 - 0000	\$ 98,937	\$ 222,658
11	14	-	17	-	125	-	002 - 0000	\$ 34,489	\$ 77,617
12	14	-	17	-	125	-	003 - 0000	EX	EX
13	14	-	17	-	125	-	004 - 0000	EX	EX
14	14	-	17	-	125	-	010 - 0000	EX	EX
15	14	-	17	-	125	-	011 - 0000	EX	EX
16	14	-	17	-	125	-	019 - 0000	EX	EX
17	14	-	17	-	201	-	007 - 0000	EX	EX
18	14	-	17	-	201	-	008 - 0000	\$ 16,523	\$ 37,185
19	14	-	17	-	201	-	009 - 0000	EX	EX
20	14	-	17	-	201	-	010 - 0000	\$ 4,575	\$ 10,296
21	14	-	17	-	201	-	011 - 0000	EX	EX
22	14	-	17	-	201	-	012 - 0000	\$ 4,575	\$ 10,296
23	14	-	17	-	201	-	013 - 0000	\$ 21,091	\$ 47,465
24	14	-	17	-	201	-	014 - 0000	\$ 17,694	\$ 39,820
25	14	-	17	-	201	-	015 - 0000	\$ 4,578	\$ 10,303
26	14	-	17	-	201	-	016 - 0000	\$ 139,748	\$ 314,503
27	14	-	17	-	202	-	002 - 0000	\$ 21,506	\$ 48,399
28	14	-	17	-	202	-	003 - 0000	\$ 17,014	\$ 38,290
29	14	-	17	-	202	-	004 - 0000	\$ 18,666	\$ 42,008
30	14	-	17	-	202	-	005 - 0000	\$ 4,650	\$ 10,465
31	14	-	17	-	202	-	006 - 0000	\$ 23,933	\$ 53,861
32	14	-	17	-	202	-	007 - 0000	\$ 200,094	\$ 450,312
33	14	-	17	-	202	-	009 - 0000	EX	EX
34	14	-	17	-	202	-	013 - 0000	\$ 26,943	\$ 60,635
35	14	-	17	-	202	-	014 - 0000	\$ 21,096	\$ 47,477
36	14	-	17	-	202	-	015 - 0000	\$ 17,824	\$ 40,113
37	14	-	17	-	202	-	016 - 0000	\$ 24,978	\$ 56,213
38	14	-	17	-	202	-	017 - 0000	\$ 19,859	\$ 44,693
39	14	-	17	-	202	-	019 - 0000	\$ 22,584	\$ 50,825
40	14	-	17	-	202	-	020 - 0000	EX	EX
41	14	-	17	-	202	-	021 - 0000	\$ 16,869	\$ 37,964
42	14	-	17	-	202	-	022 - 1001	\$ 10,639	\$ 23,943
43	14	-	17	-	202	-	022 - 1002	\$ 6,380	\$ 14,358
44	14	-	17	-	202	-	022 - 1003	\$ 6,380	\$ 14,358
45	14	-	17	-	202	-	022 - 1004	\$ 11,290	\$ 25,408
46	14	-	17	-	202	-	022 - 1005	\$ 6,934	\$ 15,605
47	14	-	17	-	202	-	022 - 1006	\$ 6,934	\$ 15,605
48	14	-	17	-	202	-	023 - 1001	\$ 10,299	\$ 23,178
49	14	-	17	-	202	-	023 - 1002	\$ 11,651	\$ 26,221

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 2 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
50	14	-	17	-	202	-	023	-	1003	\$	10,299	\$	23,178
51	14	-	17	-	202	-	023	-	1004	\$	10,299	\$	23,178
52	14	-	17	-	202	-	023	-	1005	\$	10,299	\$	23,178
53	14	-	17	-	202	-	023	-	1006	\$	10,299	\$	23,178
54	14	-	17	-	202	-	024	-	1001	\$	11,474	\$	25,822
55	14	-	17	-	202	-	024	-	1002	\$	15,872	\$	35,720
56	14	-	17	-	202	-	024	-	1003	\$	16,427	\$	36,969
57	14	-	17	-	202	-	024	-	1004	\$	16,879	\$	37,986
58	14	-	17	-	202	-	024	-	1005	\$	11,474	\$	25,822
59	14	-	17	-	202	-	024	-	1006	\$	15,872	\$	35,720
60	14	-	17	-	202	-	024	-	1007	\$	16,427	\$	36,969
61	14	-	17	-	202	-	024	-	1008	\$	16,879	\$	37,986
62	14	-	17	-	202	-	024	-	1009	\$	891	\$	2,005
63	14	-	17	-	202	-	024	-	1010	\$	891	\$	2,005
64	14	-	17	-	202	-	024	-	1011	\$	891	\$	2,005
65	14	-	17	-	202	-	024	-	1012	\$	700	\$	1,575
66	14	-	17	-	202	-	024	-	1013	\$	700	\$	1,575
67	14	-	17	-	202	-	024	-	1014	\$	700	\$	1,575
68	14	-	17	-	202	-	024	-	1015	\$	700	\$	1,575
69	14	-	17	-	202	-	024	-	1016	\$	700	\$	1,575
70	14	-	17	-	203	-	002	-	0000	\$	22,901	\$	51,539
71	14	-	17	-	203	-	005	-	0000	\$	61,535	\$	138,485
72	14	-	17	-	203	-	006	-	0000	\$	51,241	\$	115,318
73	14	-	17	-	203	-	007	-	0000	\$	16,565	\$	37,280
74	14	-	17	-	203	-	008	-	0000	\$	19,719	\$	44,578
75	14	-	17	-	203	-	009	-	0000	\$	24,865	\$	55,959
76	14	-	17	-	203	-	010	-	0000	\$	5,120	\$	11,523
77	14	-	17	-	203	-	011	-	0000	\$	83,478	\$	187,867
78	14	-	17	-	203	-	012	-	0000	\$	94,899	\$	213,570
79	14	-	17	-	203	-	016	-	0000	\$	3,434	\$	7,728
80	14	-	17	-	203	-	017	-	0000	\$	53,521	\$	119,999
81	14	-	17	-	203	-	018	-	0000	\$	152,395	\$	342,965
82	14	-	17	-	203	-	019	-	1001	\$	11,601	\$	26,108
83	14	-	17	-	203	-	019	-	1002	\$	11,601	\$	26,108
84	14	-	17	-	203	-	019	-	1003	\$	12,649	\$	28,467
85	14	-	17	-	203	-	019	-	1004	\$	12,649	\$	28,467
86	14	-	17	-	203	-	019	-	1005	\$	12,649	\$	28,467
87	14	-	17	-	203	-	019	-	1006	\$	12,649	\$	28,467
88	14	-	17	-	203	-	020	-	1001	\$	18,372	\$	41,346
89	14	-	17	-	203	-	020	-	1002	\$	18,372	\$	41,346
90	14	-	17	-	203	-	020	-	1003	\$	15,470	\$	34,815
91	14	-	17	-	203	-	020	-	1004	\$	15,470	\$	34,815
92	14	-	17	-	203	-	020	-	1005	\$	16,438	\$	36,994
93	14	-	17	-	203	-	020	-	1006	\$	16,438	\$	36,994
94	14	-	17	-	203	-	020	-	1007	\$	966	\$	2,174
95	14	-	17	-	203	-	020	-	1008	\$	966	\$	2,174
96	14	-	17	-	203	-	020	-	1009	\$	966	\$	2,174
97	14	-	17	-	203	-	020	-	1010	\$	966	\$	2,174
98	14	-	17	-	203	-	020	-	1011	\$	966	\$	2,174
99	14	-	17	-	206	-	001	-	0000	\$	17,200	\$	38,709

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 3 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
100	14	-	17	-	206	- 002 - 0000	\$ 165,031	\$ 371,402
101	14	-	17	-	206	- 054 - 0000	\$ 66,679	\$ 150,061
102	14	-	17	-	207	- 005 - 0000	EX	EX
103	14	-	17	-	207	- 004 - 0000	EX	EX
104	14	-	17	-	207	- 006 - 0000	\$ 465,547	\$ 1,047,714
105	14	-	17	-	207	- 009 - 0000	\$ 148,516	\$ 334,235
106	14	-	17	-	207	- 010 - 0000	\$ 28,161	\$ 63,376
107	14	-	17	-	207	- 011 - 0000	EX	EX
108	14	-	17	-	207	- 012 - 0000	\$ 3,166	\$ 7,125
109	14	-	17	-	207	- 013 - 0000	\$ 5,827	\$ 13,114
110	14	-	17	-	207	- 014 - 0000	\$ 32,368	\$ 72,844
111	14	-	17	-	207	- 015 - 0000	\$ 45,173	\$ 101,662
112	14	-	17	-	207	- 016 - 0000	\$ 13,512	\$ 30,409
113	14	-	17	-	207	- 017 - 0000	\$ 61,493	\$ 138,390
114	14	-	17	-	207	- 018 - 0000	EX	EX
115	14	-	17	-	207	- 019 - 0000	\$ 9,530	\$ 21,447
116	14	-	17	-	207	- 020 - 0000	\$ 66,409	\$ 149,453
117	14	-	17	-	207	- 021 - 0000	\$ 64,403	\$ 144,939
118	14	-	17	-	208	- 001 - 0000	\$ 51,975	\$ 116,970
119	14	-	17	-	208	- 002 - 0000	\$ 37,564	\$ 84,538
120	14	-	17	-	208	- 003 - 0000	\$ 113,453	\$ 255,326
121	14	-	17	-	208	- 004 - 0000	\$ 119,692	\$ 269,367
122	14	-	17	-	208	- 005 - 0000	\$ 68,208	\$ 153,502
123	14	-	17	-	209	- 001 - 0000	\$ 152,261	\$ 342,663
124	14	-	17	-	209	- 002 - 0000	\$ 19,760	\$ 44,470
125	14	-	17	-	209	- 003 - 0000	\$ 29,071	\$ 65,424
126	14	-	17	-	209	- 004 - 0000	\$ 28,876	\$ 64,985
127	14	-	17	-	209	- 005 - 0000	\$ 43,932	\$ 98,869
128	14	-	17	-	209	- 006 - 0000	\$ 104,637	\$ 235,486
129	14	-	17	-	209	- 007 - 0000	\$ 37,495	\$ 84,382
130	14	-	17	-	209	- 008 - 0000	\$ 33,771	\$ 76,002
131	14	-	17	-	209	- 009 - 0000	\$ 33,857	\$ 76,195
132	14	-	17	-	209	- 010 - 0000	\$ 18,400	\$ 41,409
133	14	-	17	-	209	- 011 - 0000	\$ 31,309	\$ 70,461
134	14	-	17	-	209	- 012 - 0000	\$ 77,959	\$ 175,447
135	14	-	17	-	209	- 013 - 0000	\$ 46,800	\$ 105,323
136	14	-	17	-	209	- 014 - 0000	\$ 46,800	\$ 105,323
137	14	-	17	-	209	- 015 - 0000	\$ 46,800	\$ 105,323
138	14	-	17	-	209	- 016 - 0000	\$ 132,379	\$ 297,919
139	14	-	17	-	209	- 017 - 0000	\$ 7,836	\$ 17,635
140	14	-	17	-	209	- 018 - 0000	\$ 2,557	\$ 5,755
141	14	-	17	-	209	- 019 - 0000	\$ 13,316	\$ 29,968
142	14	-	17	-	209	- 020 - 0000	\$ 842	\$ 1,895
143	14	-	17	-	209	- 021 - 0000	\$ 2,448	\$ 5,509
144	14	-	17	-	209	- 022 - 0000	\$ 2,382	\$ 5,361
145	14	-	17	-	209	- 023 - 0000	\$ 2,316	\$ 5,212
146	14	-	17	-	209	- 024 - 0000	\$ 21,520	\$ 48,431
147	14	-	17	-	209	- 025 - 0000	\$ 20,821	\$ 46,858
148	14	-	17	-	209	- 026 - 0000	\$ 6,859	\$ 15,436
149	14	-	17	-	209	- 027 - 0000	\$ 2,108	\$ 4,744

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 4 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
150	14	-	17	-	209	-	028	-	0000	\$	2,039	\$	4,589
151	14	-	17	-	209	-	029	-	0000	\$	2,062	\$	4,641
152	14	-	17	-	209	-	050	-	0000	\$	750	\$	1,688
153	14	-	17	-	209	-	031	-	0000	\$	71,205	\$	160,247
154	14	-	17	-	209	-	032	-	0000	\$	99,319	\$	223,517
155	14	-	17	-	209	-	033	-	0000	\$	53,235	\$	119,805
156	14	-	17	-	209	-	034	-	0000	\$	150,050	\$	337,688
157	14	-	17	-	209	-	035	-	0000	\$	26,181	\$	58,920
158	14	-	17	-	210	-	001	-	0000		EX		EX
159	14	-	17	-	210	-	002	-	0000	\$	29,623	\$	66,667
160	14	-	17	-	210	-	003	-	0000	\$	21,860	\$	49,196
161	14	-	17	-	210	-	004	-	0000	\$	18,265	\$	41,105
162	14	-	17	-	210	-	005	-	0000	\$	2,597	\$	5,845
163	14	-	17	-	210	-	006	-	0000		EX		EX
164	14	-	17	-	210	-	007	-	0000		EX		EX
165	14	-	17	-	210	-	008	-	0000	\$	27,315	\$	61,472
166	14	-	17	-	210	-	011	-	0000	\$	24,485	\$	55,103
167	14	-	17	-	210	-	012	-	0000	\$	15,950	\$	35,895
168	14	-	17	-	210	-	013	-	0000	\$	21,879	\$	49,239
169	14	-	17	-	210	-	015	-	0000	\$	21,361	\$	48,073
170	14	-	17	-	210	-	016	-	0000	\$	15,812	\$	35,585
171	14	-	17	-	210	-	017	-	0000	\$	31,934	\$	71,867
172	14	-	17	-	210	-	019	-	0000	\$	27,419	\$	61,706
173	14	-	17	-	210	-	020	-	1001	\$	12,153	\$	27,350
174	14	-	17	-	210	-	020	-	1002	\$	17,409	\$	39,179
175	14	-	17	-	210	-	020	-	1003	\$	9,033	\$	20,329
176	14	-	17	-	210	-	020	-	1004	\$	9,033	\$	20,329
177	14	-	17	-	210	-	020	-	1005	\$	9,033	\$	20,329
178	14	-	17	-	210	-	020	-	1006	\$	9,033	\$	20,329
179	14	-	17	-	210	-	021	-	1001	\$	12,252	\$	27,573
180	14	-	17	-	210	-	021	-	1002	\$	7,810	\$	17,576
181	14	-	17	-	210	-	021	-	1003	\$	7,810	\$	17,576
182	14	-	17	-	210	-	021	-	1004	\$	10,109	\$	22,750
183	14	-	17	-	210	-	021	-	1005	\$	10,109	\$	22,750
184	14	-	17	-	210	-	021	-	1006	\$	10,300	\$	23,180
185	14	-	17	-	210	-	021	-	1007	\$	10,300	\$	23,180
186	14	-	17	-	210	-	021	-	1008	\$	10,491	\$	23,610
187	14	-	17	-	210	-	021	-	1009	\$	6,011	\$	13,528
188	14	-	17	-	210	-	021	-	1010	\$	6,011	\$	13,528
189	14	-	17	-	210	-	021	-	1011	\$	10,414	\$	23,437
190	14	-	17	-	210	-	021	-	1012	\$	5,896	\$	13,269
191	14	-	17	-	210	-	021	-	1013	\$	5,896	\$	13,269
192	14	-	17	-	210	-	022	-	1001	\$	7,955	\$	17,903
193	14	-	17	-	210	-	022	-	1002	\$	10,769	\$	24,236
194	14	-	17	-	210	-	022	-	1003	\$	8,250	\$	18,567
195	14	-	17	-	210	-	022	-	1004	\$	8,250	\$	18,567
196	14	-	17	-	210	-	022	-	1005	\$	8,250	\$	18,567
197	14	-	17	-	210	-	022	-	1006	\$	8,250	\$	18,567
198	14	-	17	-	210	-	023	-	1001	\$	15,479	\$	34,835
199	14	-	17	-	210	-	023	-	1002	\$	14,498	\$	32,628

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 5 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
200	14	-	17	-	210	-	023	-	1003	\$	14,989	\$	33,733
201	14	-	17	-	210	-	023	-	1004	\$	14,989	\$	33,733
202	14	-	17	-	210	-	023	-	1005	\$	15,479	\$	34,835
203	14	-	17	-	211	-	004	-	0000		EX		EX
204	14	-	17	-	211	-	005	-	0000	\$	28,431	\$	63,984
205	14	-	17	-	211	-	006	-	0000	\$	19,672	\$	44,272
206	14	-	17	-	211	-	007	-	0000	\$	3,497	\$	7,870
207	14	-	17	-	211	-	008	-	0000	\$	20,126	\$	45,294
208	14	-	17	-	211	-	009	-	0000	\$	4,122	\$	9,277
209	14	-	17	-	211	-	010	-	0000	\$	20,497	\$	46,128
210	14	-	17	-	211	-	011	-	0000	\$	26,526	\$	59,697
211	14	-	17	-	211	-	012	-	0000	\$	27,480	\$	61,844
212	14	-	17	-	211	-	013	-	0000	\$	35,012	\$	78,795
213	14	-	17	-	211	-	014	-	0000	\$	126,283	\$	284,200
214	14	-	17	-	211	-	015	-	0000	\$	49,737	\$	111,933
215	14	-	17	-	211	-	019	-	0000	\$	169,791	\$	382,115
216	14	-	17	-	211	-	020	-	0000	\$	1,351,264	\$	3,041,020
217	14	-	17	-	211	-	021	-	1001	\$	5,448	\$	12,261
218	14	-	17	-	211	-	021	-	1002	\$	5,442	\$	12,247
219	14	-	17	-	211	-	021	-	1003	\$	5,448	\$	12,261
220	14	-	17	-	211	-	021	-	1004	\$	4,949	\$	11,138
221	14	-	17	-	211	-	021	-	1005	\$	5,471	\$	12,312
222	14	-	17	-	211	-	021	-	1006	\$	5,442	\$	12,247
223	14	-	17	-	211	-	021	-	1007	\$	5,442	\$	12,247
224	14	-	17	-	211	-	021	-	1008	\$	5,442	\$	12,247
225	14	-	17	-	211	-	021	-	1009	\$	5,442	\$	12,247
226	14	-	17	-	211	-	021	-	1010	\$	5,448	\$	12,261
227	14	-	17	-	211	-	021	-	1011	\$	5,442	\$	12,247
228	14	-	17	-	211	-	021	-	1012	\$	5,927	\$	13,339
229	14	-	17	-	212	-	007	-	0000	\$	108,309	\$	243,749
230	14	-	17	-	212	-	008	-	0000	\$	30,546	\$	68,744
231	14	-	17	-	212	-	009	-	0000	\$	10,037	\$	22,588
232	14	-	17	-	212	-	012	-	0000		EX		EX
233	14	-	17	-	212	-	016	-	0000	\$	65,220	\$	146,778
234	14	-	17	-	212	-	017	-	0000	\$	177,298	\$	399,009
235	14	-	17	-	212	-	018	-	0000	\$	30,735	\$	69,169
236	14	-	17	-	212	-	019	-	0000		EX		EX
237	14	-	17	-	212	-	020	-	0000		EX		EX
238	14	-	17	-	212	-	021	-	0000		EX		EX
239	14	-	17	-	212	-	022	-	0000		EX		EX
240	14	-	17	-	212	-	023	-	0000		EX		EX
241	14	-	17	-	212	-	025	-	0000		EX		EX
242	14	-	17	-	212	-	028	-	0000		EX		EX
243	14	-	17	-	212	-	029	-	0000		EX		EX
244	14	-	17	-	212	-	030	-	1001	\$	16,191	\$	36,438
245	14	-	17	-	212	-	030	-	1002	\$	10,303	\$	23,187
246	14	-	17	-	212	-	030	-	1003	\$	10,303	\$	23,187
247	14	-	17	-	212	-	030	-	1004	\$	16,191	\$	36,438
248	14	-	17	-	212	-	030	-	1005	\$	10,303	\$	23,187
249	14	-	17	-	212	-	030	-	1006	\$	10,303	\$	23,187

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 6 of 17)

PIN Number							Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
250	14	-	17	-	213	- 001 - 0000	EX	EX
251	14	-	17	-	213	- 002 - 0000	\$ 30,525	\$ 68,697
252	14	-	17	-	213	- 003 - 0000	\$ 24,770	\$ 55,745
253	14	-	17	-	213	- 005 - 0000	\$ 26,655	\$ 59,987
254	14	-	17	-	213	- 006 - 0000	\$ 34,710	\$ 78,115
255	14	-	17	-	213	- 007 - 0000	\$ 22,367	\$ 50,337
256	14	-	17	-	213	- 012 - 0000	EX	EX
257	14	-	17	-	213	- 024 - 0000	\$ 679,999	\$ 1,530,338
258	14	-	17	-	213	- 025 - 0000	EX	EX
259	14	-	17	-	213	- 026 - 0000	EX	EX
260	14	-	17	-	213	- 027 - 0000	\$ 18,394	\$ 41,396
261	14	-	17	-	213	- 028 - 0000	\$ 18,293	\$ 41,168
262	14	-	17	-	214	- 001 - 0000	\$ 530,255	\$ 1,193,339
263	14	-	17	-	214	- 002 - 0000	\$ 9,293	\$ 20,914
264	14	-	17	-	214	- 003 - 0000	\$ 9,293	\$ 20,914
265	14	-	17	-	214	- 004 - 0000	EX	EX
266	14	-	17	-	214	- 005 - 0000	\$ 58,020	\$ 130,574
267	14	-	17	-	214	- 006 - 0000	\$ 314,258	\$ 707,238
268	14	-	17	-	214	- 007 - 0000	\$ 49,451	\$ 111,289
269	14	-	17	-	214	- 008 - 0000	EX	EX
270	14	-	17	-	214	- 009 - 0000	\$ 435,770	\$ 980,700
271	14	-	17	-	214	- 011 - 0000	\$ 59,259	\$ 133,362
272	14	-	17	-	214	- 012 - 0000	\$ 66,824	\$ 150,387
273	14	-	17	-	214	- 013 - 0000	EX	EX
274	14	-	17	-	214	- 014 - 0000	EX	EX
275	14	-	17	-	214	- 015 - 0000	EX	EX
276	14	-	17	-	214	- 016 - 0000	\$ 74,455	\$ 167,561
277	14	-	17	-	214	- 017 - 0000	\$ 47,972	\$ 107,961
278	14	-	17	-	214	- 018 - 0000	EX	EX
279	14	-	17	-	214	- 019 - 0000	EX	EX
280	14	-	17	-	214	- 020 - 0000	EX	EX
281	14	-	17	-	215	- 001 - 0000	EX	EX
282	14	-	17	-	215	- 002 - 0000	EX	EX
283	14	-	17	-	215	- 003 - 0000	EX	EX
284	14	-	17	-	215	- 004 - 0000	EX	EX
285	14	-	17	-	215	- 005 - 0000	EX	EX
286	14	-	17	-	215	- 006 - 0000	EX	EX
287	14	-	17	-	215	- 007 - 0000	EX	EX
288	14	-	17	-	215	- 008 - 0000	\$ 32,732	\$ 73,663
289	14	-	17	-	215	- 009 - 0000	\$ 324,300	\$ 729,837
290	14	-	17	-	215	- 010 - 0000	\$ 2,624	\$ 5,905
291	14	-	17	-	215	- 011 - 0000	\$ 34,695	\$ 78,081
292	14	-	17	-	215	- 015 - 0000	EX	EX
293	14	-	17	-	215	- 016 - 0000	EX	EX
294	14	-	17	-	215	- 018 - 0000	\$ 61,749	\$ 138,966
295	14	-	17	-	215	- 019 - 0000	EX	EX
296	14	-	17	-	215	- 020 - 0000	EX	EX
297	14	-	17	-	215	- 024 - 0000	EX	EX
298	14	-	17	-	215	- 025 - 0000	EX	EX
299	14	-	17	-	216	- 027 - 0000	EX	EX

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 7 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)	
300	14	-	17	-	217	-	012 - 0000	\$ 103,983	\$ 234,014
301	14	-	17	-	217	-	013 - 0000	EX	EX
302	14	-	17	-	217	-	014 - 0000	EX	EX
303	14	-	17	-	217	-	017 - 0000	\$ 134,057	\$ 301,695
304	14	-	17	-	217	-	020 - 0000	\$ 28,761	\$ 64,727
305	14	-	17	-	217	-	021 - 0000	\$ 65,076	\$ 146,454
306	14	-	17	-	217	-	022 - 0000	\$ 148,169	\$ 333,454
307	14	-	17	-	217	-	024 - 0000	\$ 690,085	\$ 1,553,056
308	14	-	17	-	217	-	027 - 8001	EX	EX
309	14	-	17	-	217	-	027 - 8002	\$ 2,413	\$ 5,430
310	14	-	17	-	217	-	028 - 0000	EX	EX
311	14	-	17	-	217	-	029 - 0000	EX	EX
312	14	-	17	-	218	-	001 - 0000	\$ 117,300	\$ 263,984
313	14	-	17	-	218	-	005 - 0000	\$ 27,789	\$ 62,539
314	14	-	17	-	218	-	006 - 0000	\$ 214,412	\$ 482,534
315	14	-	17	-	218	-	007 - 0000	\$ 7,569	\$ 17,034
316	14	-	17	-	218	-	008 - 0000	\$ 7,706	\$ 17,342
317	14	-	17	-	218	-	009 - 0000	\$ 34,206	\$ 76,981
318	14	-	17	-	218	-	010 - 0000	\$ 69,677	\$ 156,808
319	14	-	17	-	218	-	011 - 0000	\$ 113,273	\$ 254,921
320	14	-	17	-	218	-	014 - 0000	\$ 1,706	\$ 3,839
321	14	-	17	-	218	-	015 - 0000	\$ 17,068	\$ 38,412
322	14	-	17	-	218	-	016 - 0000	\$ 108,200	\$ 243,504
323	14	-	17	-	218	-	017 - 0000	\$ 109,583	\$ 246,617
324	14	-	17	-	219	-	002 - 0000	EX	EX
325	14	-	17	-	219	-	003 - 0000	EX	EX
326	14	-	17	-	219	-	004 - 0000	EX	EX
327	14	-	17	-	219	-	005 - 0000	\$ 34,028	\$ 76,580
328	14	-	17	-	219	-	006 - 0000	\$ 29,322	\$ 65,989
329	14	-	17	-	219	-	008 - 0000	\$ 209,869	\$ 472,310
330	14	-	17	-	219	-	009 - 0000	\$ 45,746	\$ 102,951
331	14	-	17	-	219	-	010 - 0000	\$ 18,073	\$ 40,673
332	14	-	17	-	219	-	011 - 0000	EX	EX
333	14	-	17	-	219	-	012 - 0000	EX	EX
334	14	-	17	-	219	-	013 - 0000	\$ 79,863	\$ 179,732
335	14	-	17	-	219	-	014 - 0000	\$ 93,994	\$ 211,533
336	14	-	17	-	219	-	015 - 0000	EX	EX
337	14	-	17	-	219	-	016 - 1001	\$ 12,116	\$ 27,267
338	14	-	17	-	219	-	016 - 1002	\$ 11,570	\$ 26,038
339	14	-	17	-	219	-	016 - 1003	\$ 12,037	\$ 27,089
340	14	-	17	-	219	-	016 - 1004	\$ 10,932	\$ 24,602
341	14	-	17	-	219	-	016 - 1005	\$ 12,665	\$ 28,503
342	14	-	17	-	219	-	016 - 1006	\$ 12,116	\$ 27,267
343	14	-	17	-	219	-	016 - 1007	\$ 10,534	\$ 23,257
344	14	-	17	-	219	-	016 - 1008	\$ 11,248	\$ 25,314
345	14	-	17	-	219	-	016 - 1009	\$ 12,765	\$ 28,723
346	14	-	17	-	219	-	016 - 1010	\$ 11,908	\$ 26,799
347	14	-	17	-	219	-	016 - 1011	\$ 13,368	\$ 30,085
348	14	-	17	-	219	-	016 - 1012	\$ 12,052	\$ 27,078
349	14	-	17	-	219	-	016 - 1013	\$ 14,592	\$ 32,839

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 8 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
350	14	-	17	-	219	-	016	-	1014	\$	10,265	\$	23,101
351	14	-	17	-	219	-	016	-	1015	\$	14,986	\$	33,726
352	14	-	17	-	220	-	001	-	0000	\$	106,266	\$	239,152
353	14	-	17	-	220	-	002	-	0000	\$	28,542	\$	64,234
354	14	-	17	-	220	-	003	-	0000	\$	274,456	\$	617,663
355	14	-	17	-	220	-	004	-	0000	\$	165,811	\$	373,158
356	14	-	17	-	220	-	005	-	0000	\$	72,531	\$	163,231
357	14	-	17	-	220	-	006	-	0000	\$	32,439	\$	73,004
358	14	-	17	-	220	-	007	-	0000	\$	76,883	\$	173,025
359	14	-	17	-	220	-	008	-	0000	\$	474,591	\$	1,068,067
360	14	-	17	-	220	-	009	-	0000	\$	401,001	\$	902,453
361	14	-	17	-	220	-	010	-	0000	\$	120,082	\$	270,245
362	14	-	17	-	220	-	011	-	0000	\$	62,033	\$	139,605
363	14	-	17	-	220	-	012	-	0000	\$	22,694	\$	51,073
364	14	-	17	-	220	-	015	-	0000	\$	76,681	\$	172,571
365	14	-	17	-	220	-	016	-	0000	\$	58,665	\$	132,026
366	14	-	17	-	220	-	017	-	0000	\$	94,155	\$	211,896
367	14	-	17	-	220	-	018	-	1001	\$	9,247	\$	20,810
368	14	-	17	-	220	-	018	-	1002	\$	8,370	\$	18,837
369	14	-	17	-	220	-	018	-	1003	\$	8,370	\$	18,837
370	14	-	17	-	220	-	018	-	1004	\$	8,887	\$	20,000
371	14	-	17	-	220	-	018	-	1005	\$	8,370	\$	18,837
372	14	-	17	-	220	-	018	-	1006	\$	8,370	\$	18,837
373	14	-	17	-	220	-	019	-	1001	\$	14,010	\$	31,530
374	14	-	17	-	220	-	019	-	1002	\$	14,010	\$	31,530
375	14	-	17	-	220	-	019	-	1003	\$	14,010	\$	31,530
376	14	-	17	-	220	-	019	-	1004	\$	14,010	\$	31,530
377	14	-	17	-	220	-	019	-	1005	\$	14,010	\$	31,530
378	14	-	17	-	220	-	019	-	1006	\$	14,010	\$	31,530
379	14	-	17	-	220	-	019	-	1007	\$	13,231	\$	29,776
380	14	-	17	-	221	-	001	-	0000		EX		EX
381	14	-	17	-	221	-	002	-	0000	\$	12,480	\$	28,086
382	14	-	17	-	221	-	003	-	0000		EX		EX
383	14	-	17	-	221	-	004	-	0000		EX		EX
384	14	-	17	-	221	-	005	-	0000		EX		EX
385	14	-	17	-	221	-	006	-	0000	\$	33,521	\$	75,439
386	14	-	17	-	221	-	013	-	0000		EX		EX
387	14	-	17	-	221	-	014	-	0000		EX		EX
388	14	-	17	-	221	-	015	-	0000	\$	8,029	\$	18,069
389	14	-	17	-	221	-	016	-	0000		EX		EX
390	14	-	17	-	221	-	017	-	0000	\$	20,607	\$	46,376
391	14	-	17	-	221	-	018	-	0000	\$	20,604	\$	46,369
392	14	-	17	-	221	-	019	-	0000	\$	5,259	\$	11,835
393	14	-	17	-	221	-	020	-	0000	\$	13,267	\$	29,857
394	14	-	17	-	221	-	021	-	0000	\$	16,813	\$	37,838
395	14	-	17	-	221	-	022	-	0000	\$	10,487	\$	23,601
396	14	-	17	-	221	-	023	-	0000	\$	13,882	\$	31,241
397	14	-	17	-	221	-	024	-	0000	\$	14,755	\$	33,206
398	14	-	17	-	221	-	031	-	0000		EX		EX
399	14	-	17	-	222	-	001	-	0000	\$	50,736	\$	114,181

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 9 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
400	14	-	17	-	222	- 002 - 0000	\$ 25,679	\$ 57,791
401	14	-	17	-	222	- 003 - 0000	\$ 22,958	\$ 51,667
402	14	-	17	-	222	- 006 - 0000	\$ 29,782	\$ 67,024
403	14	-	17	-	222	- 011 - 0000	\$ 69,726	\$ 156,918
404	14	-	17	-	222	- 012 - 0000	\$ 69,598	\$ 156,630
405	14	-	17	-	222	- 013 - 0000	\$ 70,943	\$ 159,657
406	14	-	17	-	222	- 014 - 0000	\$ 91,300	\$ 205,471
407	14	-	17	-	222	- 017 - 0000	\$ 96,693	\$ 217,608
408	14	-	17	-	222	- 018 - 1001	\$ 3,128	\$ 7,040
409	14	-	17	-	222	- 018 - 1002	\$ 3,128	\$ 7,040
410	14	-	17	-	222	- 018 - 1003	\$ 3,128	\$ 7,040
411	14	-	17	-	222	- 018 - 1004	\$ 2,616	\$ 5,887
412	14	-	17	-	222	- 018 - 1005	\$ 3,663	\$ 8,244
413	14	-	17	-	222	- 018 - 1006	\$ 3,663	\$ 8,244
414	14	-	17	-	222	- 018 - 1007	\$ 3,663	\$ 8,244
415	14	-	17	-	222	- 019 - 1001	\$ 599	\$ 1,348
416	14	-	17	-	222	- 019 - 1002	\$ 599	\$ 1,348
417	14	-	17	-	222	- 019 - 1003	\$ 599	\$ 1,348
418	14	-	17	-	222	- 019 - 1004	\$ 599	\$ 1,348
419	14	-	17	-	222	- 019 - 1005	\$ 599	\$ 1,348
420	14	-	17	-	222	- 019 - 1006	\$ 599	\$ 1,348
421	14	-	17	-	222	- 019 - 1007	\$ 599	\$ 1,348
422	14	-	17	-	222	- 019 - 1008	\$ 599	\$ 1,348
423	14	-	17	-	222	- 019 - 1009	\$ 599	\$ 1,348
424	14	-	17	-	222	- 019 - 1010	\$ 599	\$ 1,348
425	14	-	17	-	222	- 019 - 1011	\$ 606	\$ 1,364
426	14	-	17	-	222	- 019 - 1012	\$ 606	\$ 1,364
427	14	-	17	-	222	- 019 - 1013	\$ 599	\$ 1,348
428	14	-	17	-	222	- 019 - 1014	\$ 599	\$ 1,348
429	14	-	17	-	222	- 019 - 1015	\$ 599	\$ 1,348
430	14	-	17	-	222	- 019 - 1016	\$ 599	\$ 1,348
431	14	-	17	-	222	- 019 - 1017	\$ 599	\$ 1,348
432	14	-	17	-	222	- 019 - 1018	\$ 599	\$ 1,348
433	14	-	17	-	222	- 019 - 1019	\$ 599	\$ 1,348
434	14	-	17	-	222	- 019 - 1020	\$ 599	\$ 1,348
435	14	-	17	-	222	- 019 - 1021	\$ 599	\$ 1,348
436	14	-	17	-	222	- 019 - 1022	\$ 599	\$ 1,348
437	14	-	17	-	222	- 020 - 1001	\$ 599	\$ 1,348
438	14	-	17	-	222	- 020 - 1002	\$ 599	\$ 1,348
439	14	-	17	-	222	- 020 - 1003	\$ 599	\$ 1,348
440	14	-	17	-	222	- 020 - 1004	\$ 599	\$ 1,348
441	14	-	17	-	222	- 020 - 1005	\$ 599	\$ 1,348
442	14	-	17	-	222	- 020 - 1006	\$ 599	\$ 1,348
443	14	-	17	-	222	- 020 - 1007	\$ 599	\$ 1,348
444	14	-	17	-	222	- 020 - 1008	\$ 599	\$ 1,348
445	14	-	17	-	222	- 020 - 1009	\$ 599	\$ 1,348
446	14	-	17	-	222	- 020 - 1010	\$ 599	\$ 1,348
447	14	-	17	-	222	- 020 - 1011	\$ 599	\$ 1,348
448	14	-	17	-	222	- 020 - 1012	\$ 599	\$ 1,348
449	14	-	17	-	222	- 020 - 1013	\$ 599	\$ 1,348

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 10 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
450	14	-	17	-	222	- 020 - 1014	\$ 599	\$ 1,348
451	14	-	17	-	222	- 020 - 1015	\$ 599	\$ 1,348
452	14	-	17	-	222	- 020 - 1016	\$ 599	\$ 1,348
453	14	-	17	-	222	- 020 - 1017	\$ 599	\$ 1,348
454	14	-	17	-	222	- 020 - 1018	\$ 599	\$ 1,348
455	14	-	17	-	222	- 020 - 1019	\$ 599	\$ 1,348
456	14	-	17	-	222	- 020 - 1020	\$ 599	\$ 1,348
457	14	-	17	-	222	- 020 - 1021	\$ 599	\$ 1,348
458	14	-	17	-	222	- 020 - 1022	\$ 599	\$ 1,348
459	14	-	17	-	222	- 020 - 1023	\$ 599	\$ 1,348
460	14	-	17	-	222	- 020 - 1024	\$ 599	\$ 1,348
461	14	-	17	-	222	- 020 - 1025	\$ 599	\$ 1,348
462	14	-	17	-	222	- 020 - 1026	\$ 599	\$ 1,348
463	14	-	17	-	222	- 020 - 1027	\$ 599	\$ 1,348
464	14	-	17	-	222	- 020 - 1028	\$ 599	\$ 1,348
465	14	-	17	-	222	- 020 - 1029	\$ 599	\$ 1,348
466	14	-	17	-	222	- 020 - 1030	\$ 599	\$ 1,348
467	14	-	17	-	222	- 020 - 1031	\$ 599	\$ 1,348
468	14	-	17	-	222	- 020 - 1032	\$ 599	\$ 1,348
469	14	-	17	-	222	- 021 - 1001	\$ 6,710	\$ 15,101
470	14	-	17	-	222	- 021 - 1002	\$ 6,710	\$ 15,101
471	14	-	17	-	222	- 021 - 1003	\$ 6,710	\$ 15,101
472	14	-	17	-	222	- 021 - 1004	\$ 6,313	\$ 14,207
473	14	-	17	-	222	- 021 - 1005	\$ 6,313	\$ 14,207
474	14	-	17	-	222	- 021 - 1006	\$ 6,313	\$ 14,207
475	14	-	17	-	222	- 021 - 1007	\$ 6,313	\$ 14,207
476	14	-	17	-	222	- 021 - 1008	\$ 6,313	\$ 14,207
477	14	-	17	-	222	- 021 - 1009	\$ 6,313	\$ 14,207
478	14	-	17	-	222	- 021 - 1010	\$ 6,313	\$ 14,207
479	14	-	17	-	222	- 021 - 1011	\$ 6,313	\$ 14,207
480	14	-	17	-	222	- 021 - 1012	\$ 6,313	\$ 14,207
481	14	-	17	-	222	- 021 - 1013	\$ 6,313	\$ 14,207
482	14	-	17	-	222	- 021 - 1014	\$ 6,313	\$ 14,207
483	14	-	17	-	222	- 021 - 1015	\$ 6,313	\$ 14,207
484	14	-	17	-	222	- 021 - 1016	\$ 6,313	\$ 14,207
485	14	-	17	-	222	- 021 - 1017	\$ 6,313	\$ 14,207
486	14	-	17	-	222	- 021 - 1018	\$ 6,313	\$ 14,207
487	14	-	17	-	222	- 021 - 1019	\$ 6,313	\$ 14,207
488	14	-	17	-	222	- 021 - 1020	\$ 6,313	\$ 14,207
489	14	-	17	-	222	- 021 - 1021	\$ 6,313	\$ 14,207
490	14	-	17	-	222	- 021 - 1022	\$ 6,313	\$ 14,207
491	14	-	17	-	222	- 021 - 1023	\$ 6,313	\$ 14,207
492	14	-	17	-	222	- 021 - 1024	\$ 6,313	\$ 14,207
493	14	-	17	-	222	- 021 - 1025	\$ 7,941	\$ 17,871
494	14	-	17	-	222	- 021 - 1026	\$ 6,710	\$ 15,101
495	14	-	17	-	222	- 021 - 1027	\$ 6,710	\$ 15,101
496	14	-	17	-	222	- 021 - 1028	\$ 6,313	\$ 14,207
497	14	-	17	-	222	- 021 - 1029	\$ 6,313	\$ 14,207
498	14	-	17	-	222	- 021 - 1030	\$ 6,313	\$ 14,207
499	14	-	17	-	222	- 021 - 1031	\$ 5,519	\$ 12,421

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 11 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
500	14	-	17	-	222	-	021	-	1032	\$	6,750	\$	15,191
501	14	-	17	-	222	-	021	-	1033	\$	6,750	\$	15,191
502	14	-	17	-	222	-	021	-	1034	\$	6,750	\$	15,191
503	14	-	17	-	222	-	021	-	1035	\$	6,352	\$	14,295
504	14	-	17	-	222	-	021	-	1036	\$	6,352	\$	14,295
505	14	-	17	-	222	-	021	-	1037	\$	6,352	\$	14,295
506	14	-	17	-	222	-	021	-	1038	\$	6,352	\$	14,295
507	14	-	17	-	222	-	021	-	1039	\$	6,352	\$	14,295
508	14	-	17	-	222	-	021	-	1040	\$	6,352	\$	14,295
509	14	-	17	-	222	-	021	-	1041	\$	6,352	\$	14,295
510	14	-	17	-	222	-	021	-	1042	\$	6,352	\$	14,295
511	14	-	17	-	222	-	021	-	1043	\$	6,352	\$	14,295
512	14	-	17	-	222	-	021	-	1044	\$	6,352	\$	14,295
513	14	-	17	-	222	-	021	-	1045	\$	6,352	\$	14,295
514	14	-	17	-	222	-	021	-	1046	\$	6,352	\$	14,295
515	14	-	17	-	222	-	021	-	1047	\$	6,352	\$	14,295
516	14	-	17	-	222	-	021	-	1048	\$	6,352	\$	14,295
517	14	-	17	-	222	-	021	-	1049	\$	6,352	\$	14,295
518	14	-	17	-	222	-	021	-	1050	\$	6,352	\$	14,295
519	14	-	17	-	222	-	021	-	1051	\$	6,352	\$	14,295
520	14	-	17	-	222	-	021	-	1052	\$	6,352	\$	14,295
521	14	-	17	-	222	-	021	-	1053	\$	6,352	\$	14,295
522	14	-	17	-	222	-	021	-	1054	\$	6,352	\$	14,295
523	14	-	17	-	222	-	021	-	1055	\$	6,352	\$	14,295
524	14	-	17	-	222	-	021	-	1056	\$	6,750	\$	15,191
525	14	-	17	-	222	-	021	-	1057	\$	6,750	\$	15,191
526	14	-	17	-	222	-	021	-	1058	\$	6,750	\$	15,191
527	14	-	17	-	222	-	021	-	1059	\$	6,352	\$	14,295
528	14	-	17	-	222	-	021	-	1060	\$	6,352	\$	14,295
529	14	-	17	-	222	-	021	-	1061	\$	6,352	\$	14,295
530	14	-	17	-	222	-	021	-	1062	\$	5,558	\$	12,508
531	14	-	17	-	222	-	022	-	1001	\$	10,175	\$	22,899
532	14	-	17	-	222	-	022	-	1002	\$	10,811	\$	24,330
533	14	-	17	-	222	-	022	-	1003	\$	10,811	\$	24,330
534	14	-	17	-	222	-	022	-	1004	\$	10,175	\$	22,899
535	14	-	17	-	222	-	022	-	1005	\$	10,811	\$	24,330
536	14	-	17	-	222	-	022	-	1006	\$	10,811	\$	24,330
537	14	-	17	-	222	-	023	-	1001	\$	1,003	\$	2,257
538	14	-	17	-	222	-	023	-	1002	\$	1,003	\$	2,257
539	14	-	17	-	222	-	023	-	1003	\$	1,003	\$	2,257
540	14	-	17	-	222	-	023	-	1004	\$	1,003	\$	2,257
541	14	-	17	-	222	-	023	-	1005	\$	1,003	\$	2,257
542	14	-	17	-	222	-	023	-	1006	\$	1,003	\$	2,257
543	14	-	17	-	222	-	023	-	1007	\$	1,003	\$	2,257
544	14	-	17	-	222	-	023	-	1008	\$	1,003	\$	2,257
545	14	-	17	-	222	-	023	-	1009	\$	1,003	\$	2,257
546	14	-	17	-	222	-	023	-	1010	\$	1,003	\$	2,257
547	14	-	17	-	222	-	023	-	1011	\$	1,003	\$	2,257
548	14	-	17	-	222	-	023	-	1012	\$	1,003	\$	2,257
549	14	-	17	-	222	-	023	-	1013	\$	1,003	\$	2,257

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 12 of 17)

	PIN Number					Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
550	14	-	17	-	222 - 025 - 1014	\$ 1,003	\$ 2,257
551	14	-	17	-	222 - 023 - 1015	\$ 1,003	\$ 2,257
552	14	-	17	-	222 - 023 - 1016	\$ 1,003	\$ 2,257
553	14	-	17	-	222 - 023 - 1017	\$ 1,003	\$ 2,257
554	14	-	17	-	222 - 023 - 1018	\$ 1,003	\$ 2,257
555	14	-	17	-	222 - 023 - 1019	\$ 1,003	\$ 2,257
556	14	-	17	-	222 - 023 - 1020	\$ 1,003	\$ 2,257
557	14	-	17	-	222 - 023 - 1021	\$ 1,003	\$ 2,257
558	14	-	17	-	222 - 023 - 1022	\$ 1,003	\$ 2,257
559	14	-	17	-	222 - 023 - 1023	\$ 1,003	\$ 2,257
560	14	-	17	-	222 - 023 - 1024	\$ 1,003	\$ 2,257
561	14	-	17	-	222 - 023 - 1025	\$ 1,003	\$ 2,257
562	14	-	17	-	222 - 023 - 1026	\$ 1,003	\$ 2,257
563	14	-	17	-	222 - 023 - 1027	\$ 1,003	\$ 2,257
564	14	-	17	-	222 - 023 - 1028	\$ 1,003	\$ 2,257
565	14	-	17	-	222 - 023 - 1029	\$ 1,003	\$ 2,257
566	14	-	17	-	222 - 023 - 1030	\$ 1,003	\$ 2,257
567	14	-	17	-	222 - 023 - 1031	\$ 1,021	\$ 2,298
568	14	-	17	-	223 - 001 - 0000	\$ 28,499	\$ 64,137
569	14	-	17	-	223 - 003 - 0000	\$ 80,841	\$ 181,933
570	14	-	17	-	223 - 004 - 0000	\$ 24,113	\$ 54,266
571	14	-	17	-	223 - 005 - 0000	\$ 46,918	\$ 105,589
572	14	-	17	-	223 - 006 - 0000	\$ 7,962	\$ 17,918
573	14	-	17	-	223 - 007 - 0000	\$ 31,710	\$ 71,363
574	14	-	17	-	223 - 008 - 0000	\$ 19,364	\$ 43,579
575	14	-	17	-	223 - 009 - 0000	\$ 20,583	\$ 46,322
576	14	-	17	-	223 - 010 - 0000	\$ 12,082	\$ 27,191
577	14	-	17	-	223 - 011 - 0000	\$ 8,764	\$ 19,723
578	14	-	17	-	223 - 014 - 0000	\$ 60,038	\$ 135,116
579	14	-	17	-	223 - 016 - 0000	\$ 122,125	\$ 274,842
580	14	-	17	-	223 - 017 - 0000	\$ 175,696	\$ 395,404
581	14	-	17	-	223 - 018 - 0000	\$ 379,394	\$ 853,826
582	14	-	17	-	223 - 019 - 0000	\$ 379,526	\$ 854,123
583	14	-	17	-	223 - 022 - 0000	\$ 366,666	\$ 825,182
584	14	-	17	-	223 - 023 - 0000	\$ 366,666	\$ 825,182
585	14	-	17	-	223 - 024 - 0000	\$ 330,021	\$ 742,712
586	14	-	17	-	223 - 025 - 0000	EX	EX
587	14	-	17	-	223 - 026 - 1001	\$ 4,797	\$ 10,796
588	14	-	17	-	223 - 026 - 1002	\$ 5,003	\$ 11,259
589	14	-	17	-	223 - 026 - 1003	\$ 5,053	\$ 11,372
590	14	-	17	-	223 - 026 - 1004	\$ 4,747	\$ 10,683
591	14	-	17	-	223 - 026 - 1005	\$ 4,950	\$ 11,140
592	14	-	17	-	223 - 026 - 1006	\$ 4,950	\$ 11,140
593	14	-	17	-	224 - 004 - 0000	EX	EX
594	14	-	17	-	224 - 005 - 0000	\$ 29,603	\$ 66,622
595	14	-	17	-	224 - 006 - 0000	\$ 6,527	\$ 14,689
596	14	-	17	-	224 - 007 - 0000	\$ 31,409	\$ 70,686
597	14	-	17	-	224 - 009 - 0000	\$ 79,261	\$ 178,377
598	14	-	17	-	224 - 016 - 0000	\$ 216,626	\$ 487,517
599	14	-	17	-	224 - 023 - 0000	EX	EX

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 13 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
600	14	-	17	-	224	-	024	-	1001	\$	8,196	\$	18,445
601	14	-	17	-	224	-	024	-	1002	\$	8,215	\$	18,488
602	14	-	17	-	224	-	024	-	1003	\$	8,196	\$	18,445
603	14	-	17	-	224	-	024	-	1004	\$	8,196	\$	18,445
604	14	-	17	-	224	-	024	-	1005	\$	8,196	\$	18,445
605	14	-	17	-	224	-	024	-	1006	\$	8,196	\$	18,445
606	14	-	17	-	224	-	025	-	1001	\$	14,150	\$	31,845
607	14	-	17	-	224	-	025	-	1002	\$	14,264	\$	32,101
608	14	-	17	-	224	-	025	-	1003	\$	14,483	\$	32,594
609	14	-	17	-	224	-	025	-	1004	\$	14,150	\$	31,845
610	14	-	17	-	224	-	025	-	1005	\$	14,774	\$	33,249
611	14	-	17	-	224	-	025	-	1006	\$	14,942	\$	33,627
612	14	-	17	-	224	-	025	-	1007	\$	246	\$	554
613	14	-	17	-	224	-	025	-	1008	\$	246	\$	554
614	14	-	17	-	224	-	025	-	1009	\$	246	\$	554
615	14	-	17	-	224	-	025	-	1010	\$	246	\$	554
616	14	-	17	-	224	-	025	-	1011	\$	246	\$	554
617	14	-	17	-	224	-	026	-	1001	\$	10,216	\$	22,991
618	14	-	17	-	224	-	026	-	1002	\$	13,860	\$	31,192
619	14	-	17	-	224	-	026	-	1003	\$	14,170	\$	31,890
620	14	-	17	-	224	-	026	-	1004	\$	14,379	\$	32,360
621	14	-	17	-	224	-	026	-	1005	\$	10,216	\$	22,991
622	14	-	17	-	224	-	026	-	1006	\$	13,860	\$	31,192
623	14	-	17	-	224	-	026	-	1007	\$	14,170	\$	31,890
624	14	-	17	-	224	-	026	-	1008	\$	14,379	\$	32,360
625	14	-	17	-	224	-	026	-	1009	\$	518	\$	1,166
626	14	-	17	-	224	-	026	-	1010	\$	518	\$	1,166
627	14	-	17	-	224	-	026	-	1011	\$	518	\$	1,166
628	14	-	17	-	224	-	026	-	1012	\$	518	\$	1,166
629	14	-	17	-	224	-	026	-	1013	\$	518	\$	1,166
630	14	-	17	-	224	-	026	-	1014	\$	518	\$	1,166
631	14	-	17	-	224	-	026	-	1015	\$	518	\$	1,166
632	14	-	17	-	224	-	026	-	1016	\$	518	\$	1,166
633	14	-	17	-	224	-	026	-	1017	\$	518	\$	1,166
634	14	-	17	-	224	-	026	-	1018	\$	518	\$	1,166
635	14	-	17	-	224	-	027	-	1001	\$	9,721	\$	21,877
636	14	-	17	-	224	-	027	-	1002	\$	9,828	\$	22,118
637	14	-	17	-	224	-	027	-	1003	\$	9,863	\$	22,197
638	14	-	17	-	224	-	027	-	1004	\$	9,291	\$	20,909
639	14	-	17	-	224	-	027	-	1005	\$	9,381	\$	21,112
640	14	-	17	-	224	-	027	-	1006	\$	9,274	\$	20,871
641	14	-	17	-	224	-	027	-	1007	\$	14,296	\$	32,173
642	14	-	17	-	224	-	027	-	1008	\$	15,082	\$	33,942
643	14	-	17	-	224	-	027	-	1009	\$	14,957	\$	33,661
644	14	-	17	-	224	-	027	-	1010	\$	11,185	\$	25,172
645	14	-	17	-	224	-	027	-	1011	\$	11,257	\$	25,334
646	14	-	17	-	224	-	027	-	1012	\$	11,257	\$	25,334
647	14	-	17	-	224	-	027	-	1013	\$	12,365	\$	27,827
648	14	-	17	-	224	-	027	-	1014	\$	12,365	\$	27,827
649	14	-	17	-	224	-	027	-	1015	\$	12,311	\$	27,706

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 14 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)
650	14	-	17	-	224	- 027 - 1016	\$ 1,429	\$ 3,216
651	14	-	17	-	224	- 027 - 1017	\$ 2,143	\$ 4,823
652	14	-	17	-	224	- 027 - 1018	\$ 2,679	\$ 6,029
653	14	-	17	-	225	- 004 - 0000	EX	EX
654	14	-	17	-	225	- 005 - 0000	\$ 47,410	\$ 106,696
655	14	-	17	-	225	- 006 - 0000	\$ 20,853	\$ 46,930
656	14	-	17	-	225	- 007 - 0000	\$ 19,384	\$ 43,624
657	14	-	17	-	225	- 008 - 0000	\$ 22,060	\$ 49,646
658	14	-	17	-	225	- 009 - 0000	\$ 39,307	\$ 88,460
659	14	-	17	-	225	- 010 - 0000	\$ 27,021	\$ 60,811
660	14	-	17	-	225	- 011 - 0000	\$ 29,380	\$ 66,120
661	14	-	17	-	225	- 012 - 0000	\$ 1,519	\$ 3,419
662	14	-	17	-	225	- 013 - 0000	\$ 16,835	\$ 37,887
663	14	-	17	-	225	- 016 - 0000	\$ 115,725	\$ 260,439
664	14	-	17	-	225	- 017 - 0000	\$ 32,603	\$ 73,373
665	14	-	17	-	225	- 021 - 0000	\$ 6,292	\$ 14,160
666	14	-	17	-	225	- 024 - 0000	\$ 88,789	\$ 199,820
667	14	-	17	-	225	- 027 - 0000	\$ 27,336	\$ 61,520
668	14	-	17	-	225	- 028 - 0000	\$ 48,458	\$ 109,055
669	14	-	17	-	225	- 032 - 0000	\$ 10,963	\$ 24,672
670	14	-	17	-	225	- 033 - 0000	EX	EX
671	14	-	17	-	225	- 034 - 0000	\$ 50,130	\$ 112,818
672	14	-	17	-	225	- 035 - 0000	\$ 40,045	\$ 90,121
673	14	-	17	-	225	- 036 - 0000	\$ 18,350	\$ 41,297
674	14	-	17	-	225	- 037 - 0000	\$ 62,108	\$ 139,774
675	14	-	17	-	226	- 005 - 0000	\$ 34,053	\$ 76,636
676	14	-	17	-	226	- 006 - 0000	\$ 153,001	\$ 344,329
677	14	-	17	-	226	- 007 - 0000	\$ 151,507	\$ 340,967
678	14	-	17	-	226	- 011 - 0000	\$ 62,260	\$ 140,116
679	14	-	17	-	226	- 012 - 0000	\$ 35,260	\$ 79,353
680	14	-	17	-	226	- 013 - 0000	\$ 37,464	\$ 84,313
681	14	-	17	-	226	- 014 - 0000	\$ 33,551	\$ 75,507
682	14	-	17	-	226	- 015 - 0000	\$ 126,873	\$ 285,528
683	14	-	17	-	226	- 016 - 0000	\$ 100,593	\$ 226,385
684	14	-	17	-	226	- 017 - 0000	\$ 222,306	\$ 500,300
685	14	-	17	-	226	- 018 - 1001	\$ 10,208	\$ 22,973
686	14	-	17	-	226	- 018 - 1002	\$ 10,208	\$ 22,973
687	14	-	17	-	226	- 018 - 1003	\$ 10,206	\$ 22,969
688	14	-	17	-	226	- 018 - 1004	\$ 10,208	\$ 22,973
689	14	-	17	-	226	- 018 - 1005	\$ 10,208	\$ 22,973
690	14	-	17	-	226	- 018 - 1006	\$ 10,206	\$ 22,969
691	14	-	17	-	226	- 019 - 1001	\$ 5,053	\$ 11,327
692	14	-	17	-	226	- 019 - 1002	\$ 3,985	\$ 8,968
693	14	-	17	-	226	- 019 - 1003	\$ 3,985	\$ 8,968
694	14	-	17	-	226	- 019 - 1004	\$ 3,985	\$ 8,968
695	14	-	17	-	226	- 019 - 1005	\$ 4,195	\$ 9,441
696	14	-	17	-	226	- 019 - 1006	\$ 4,195	\$ 9,441
697	14	-	17	-	226	- 019 - 1007	\$ 4,195	\$ 9,441
698	14	-	17	-	226	- 019 - 1008	\$ 4,195	\$ 9,441
699	14	-	17	-	226	- 019 - 1009	\$ 4,195	\$ 9,441

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 15 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
700	14	-	17	-	226	-	019	-	1010	\$	4,195	\$	9,441
701	14	-	17	-	226	-	019	-	1011	\$	3,985	\$	8,968
702	14	-	17	-	226	-	019	-	1012	\$	4,195	\$	9,441
703	14	-	17	-	226	-	019	-	1013	\$	4,195	\$	9,441
704	14	-	17	-	226	-	019	-	1014	\$	4,195	\$	9,441
705	14	-	17	-	226	-	019	-	1015	\$	4,195	\$	9,441
706	14	-	17	-	226	-	019	-	1016	\$	4,195	\$	9,441
707	14	-	17	-	226	-	019	-	1017	\$	4,195	\$	9,441
708	14	-	17	-	226	-	019	-	1018	\$	4,195	\$	9,441
709	14	-	17	-	226	-	019	-	1019	\$	4,195	\$	9,441
710	14	-	17	-	226	-	019	-	1020	\$	4,195	\$	9,441
711	14	-	17	-	226	-	020	-	1001	\$	16,018	\$	36,049
712	14	-	17	-	226	-	020	-	1002	\$	16,018	\$	36,049
713	14	-	17	-	226	-	020	-	1003	\$	15,616	\$	35,144
714	14	-	17	-	226	-	020	-	1004	\$	15,616	\$	35,144
715	14	-	17	-	226	-	020	-	1005	\$	15,616	\$	35,144
716	14	-	17	-	226	-	020	-	1006	\$	15,616	\$	35,144
717	14	-	17	-	226	-	020	-	1007	\$	15,616	\$	35,144
718	14	-	17	-	226	-	020	-	1008	\$	15,616	\$	35,144
719	14	-	17	-	226	-	020	-	1009	\$	15,616	\$	35,144
720	14	-	17	-	226	-	020	-	1010	\$	15,616	\$	35,144
721	14	-	17	-	226	-	020	-	1011	\$	15,616	\$	35,144
722	14	-	17	-	226	-	020	-	1012	\$	15,616	\$	35,144
723	14	-	17	-	226	-	020	-	1013	\$	15,616	\$	35,144
724	14	-	17	-	226	-	020	-	1014	\$	15,616	\$	35,144
725	14	-	17	-	226	-	020	-	1015	\$	16,018	\$	36,049
726	14	-	17	-	226	-	020	-	1016	\$	16,018	\$	36,049
727	14	-	17	-	227	-	001	-	0000		EX		EX
728	14	-	17	-	227	-	002	-	0000	\$	31,089	\$	69,966
729	14	-	17	-	227	-	003	-	0000	\$	33,880	\$	76,247
730	14	-	17	-	227	-	004	-	0000	\$	70,722	\$	159,160
731	14	-	17	-	227	-	005	-	0000	\$	28,037	\$	63,097
732	14	-	17	-	227	-	006	-	0000	\$	32,396	\$	72,907
733	14	-	17	-	227	-	007	-	0000	\$	64,082	\$	144,217
734	14	-	17	-	227	-	008	-	0000	\$	81,774	\$	184,032
735	14	-	17	-	227	-	009	-	0000	\$	55,651	\$	125,243
736	14	-	17	-	227	-	011	-	0000	\$	108,264	\$	243,648
737	14	-	17	-	227	-	012	-	0000	\$	114,231	\$	257,077
738	14	-	17	-	227	-	013	-	0000	\$	33,473	\$	75,331
739	14	-	17	-	227	-	014	-	0000	\$	36,246	\$	81,572
740	14	-	17	-	227	-	015	-	0000	\$	106,228	\$	239,066
741	14	-	17	-	227	-	017	-	0000		EX		EX
742	14	-	17	-	227	-	018	-	0000		EX		EX
743	14	-	17	-	227	-	019	-	0000		EX		EX
744	14	-	17	-	227	-	020	-	0000		EX		EX
745	14	-	17	-	227	-	021	-	0000		EX		EX
746	14	-	17	-	227	-	022	-	1001	\$	13,277	\$	29,880
747	14	-	17	-	227	-	022	-	1002	\$	13,277	\$	29,880
748	14	-	17	-	227	-	022	-	1005	\$	13,277	\$	29,880
749	14	-	17	-	227	-	022	-	1004	\$	10,632	\$	23,927

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing
District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.
(Page 16 of 17)

	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)					
750	14	-	17	-	227	-	022	-	1005	\$	12,089	\$	27,206
751	14	-	17	-	227	-	022	-	1006	\$	12,089	\$	27,206
752	14	-	17	-	227	-	022	-	1007	\$	12,089	\$	27,206
753	14	-	17	-	227	-	022	-	1008	\$	10,632	\$	23,927
754	14	-	17	-	227	-	022	-	1009	\$	1,510	\$	3,398
755	14	-	17	-	227	-	022	-	1010	\$	1,510	\$	3,398
756	14	-	17	-	227	-	022	-	1011	\$	1,510	\$	3,398
757	14	-	17	-	227	-	022	-	1012	\$	1,510	\$	3,398
758	14	-	17	-	227	-	022	-	1013	\$	1,510	\$	3,398
759	14	-	17	-	227	-	022	-	1014	\$	1,510	\$	3,398
760	14	-	17	-	227	-	022	-	1015	\$	1,510	\$	3,398
761	14	-	17	-	228	-	002	-	0000	\$	52,081	\$	117,208
762	14	-	17	-	228	-	003	-	0000	\$	120,000	\$	270,060
763	14	-	17	-	228	-	004	-	0000	\$	28,173	\$	63,403
764	14	-	17	-	228	-	005	-	0000	\$	25,205	\$	56,724
765	14	-	17	-	228	-	006	-	0000	\$	25,009	\$	56,283
766	14	-	17	-	228	-	008	-	0000	\$	28,720	\$	64,634
767	14	-	17	-	228	-	010	-	0000	\$	107,996	\$	243,045
768	14	-	17	-	228	-	012	-	0000	\$	59,007	\$	132,795
769	14	-	17	-	228	-	020	-	0000	\$	23,510	\$	52,909
770	14	-	17	-	228	-	021	-	0000	\$	54,366	\$	122,351
771	14	-	17	-	228	-	022	-	0000	\$	112,947	\$	254,187
772	14	-	17	-	228	-	023	-	0000	\$	-	\$	-
773	14	-	17	-	228	-	024	-	0000	\$	188,479	\$	424,172
774	14	-	17	-	228	-	025	-	1001	\$	9,118	\$	20,520
775	14	-	17	-	228	-	025	-	1002	\$	9,118	\$	20,520
776	14	-	17	-	228	-	025	-	1003	\$	9,121	\$	20,527
777	14	-	17	-	228	-	026	-	1001	\$	11,654	\$	26,227
778	14	-	17	-	228	-	026	-	1002	\$	20,978	\$	47,211
779	14	-	17	-	228	-	026	-	1003	\$	21,755	\$	48,960
780	14	-	17	-	228	-	026	-	1004	\$	23,309	\$	52,457
781	14	-	17	-	229	-	001	-	0000	\$	67,221	\$	151,281
782	14	-	17	-	229	-	002	-	0000	\$	203,150	\$	457,189
783	14	-	17	-	229	-	003	-	0000		EX		EX
784	14	-	17	-	229	-	008	-	0000		EX		EX
785	14	-	17	-	229	-	009	-	0000	\$	84,875	\$	191,011
786	14	-	17	-	229	-	010	-	0000		EX		EX
787	14	-	17	-	229	-	011	-	0000	\$	159,929	\$	359,920
788	14	-	17	-	229	-	012	-	0000	\$	233,175	\$	524,760
789	14	-	17	-	229	-	013	-	0000	\$	71,060	\$	159,921

Appendix 4.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Summary Of 1999 E.A.V. By Permanent Index Number.

(Page 17 of 17)

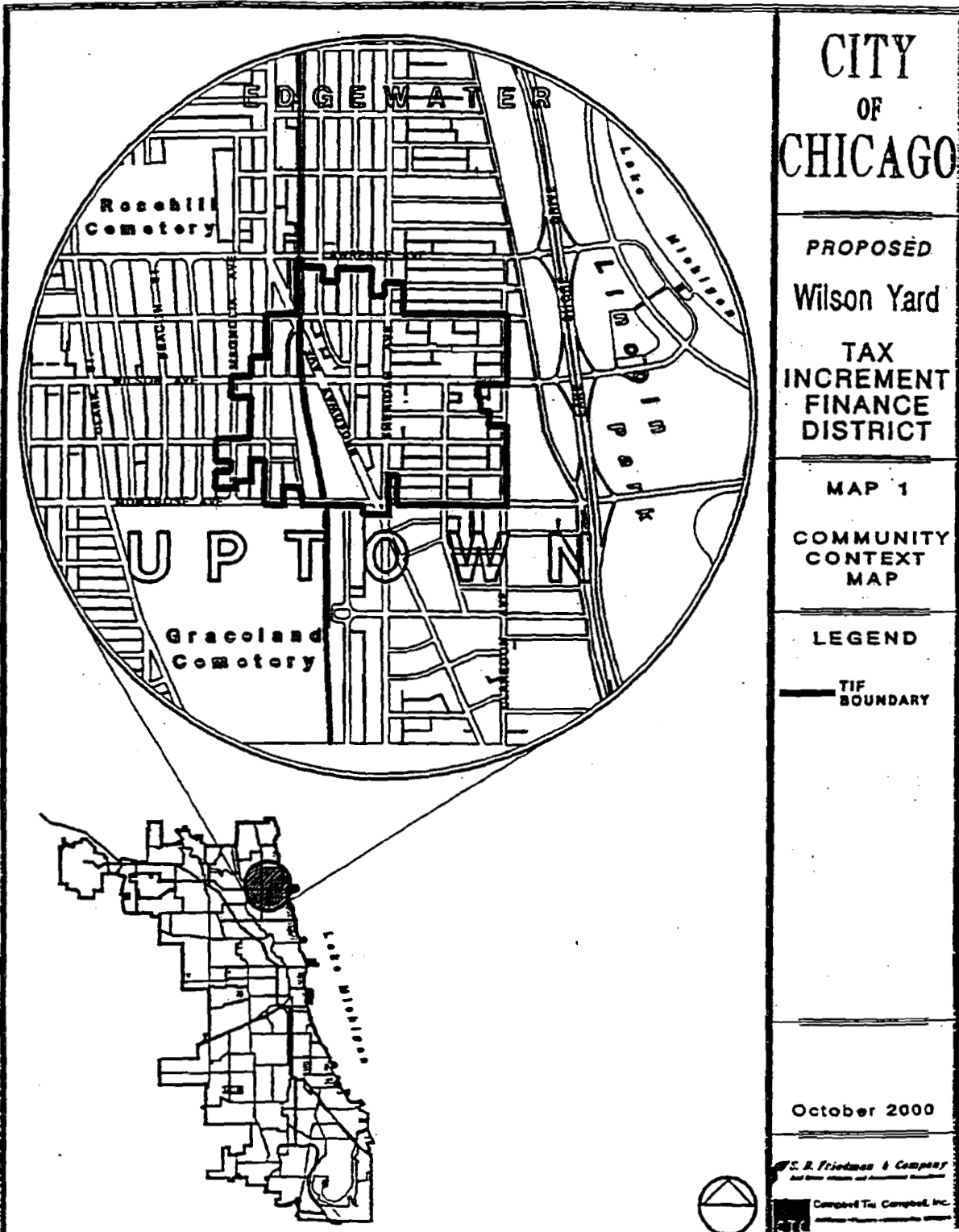
	PIN Number						Assessed Value 1999 (AV)	Equalized Assessed Value 1999 (EAV)			
790	14	-	17	-	229	-	014	-	0000	EX	EX
791	14	-	17	-	229	-	015	-	0000	EX	EX
792	14	-	17	-	229	-	016	-	0000	EX	EX
793	14	-	17	-	229	-	017	-	0000	EX	EX
794	14	-	17	-	229	-	018	-	0000	EX	EX
795	14	-	17	-	229	-	019	-	0000	EX	EX
796	14	-	17	-	403	-	022	-	0000	\$ 28,515	\$ 64,173
797	14	-	17	-	403	-	023	-	0000	\$ 16,868	\$ 37,961
798	14	-	17	-	419	-	001	-	0000	EX	EX
799	14	-	17	-	500	-	002	-	8001	EX	EX
800	14	-	17	-	500	-	002	-	8002	\$ 5,653	\$ 12,722
801	14	-	17	-	500	-	002	-	8003	\$ 9,680	\$ 21,785
802	14	-	17	-	500	-	002	-	8004	\$ 12,820	\$ 28,851
803	14	-	17	-	500	-	002	-	8005	\$ 1,185	\$ 2,667
804	14	-	17	-	500	-	002	-	8006	\$ 13,743	\$ 30,929
805	14	-	17	-	500	-	002	-	8007	\$ 13,375	\$ 30,100
806	14	-	17	-	500	-	002	-	8008	\$ 20,763	\$ 46,727
807	14	-	17	-	500	-	002	-	8009	\$ 10,746	\$ 24,184
808	14	-	17	-	500	-	002	-	8010	\$ 4,449	\$ 10,012
809	14	-	17	-	500	-	002	-	8011	\$ 4,138	\$ 9,313
810	14	-	17	-	500	-	002	-	8012	\$ 6,418	\$ 14,444
811	14	-	17	-	500	-	002	-	8013	\$ 2,845	\$ 6,403
812	14	-	17	-	500	-	002	-	8014	\$ 43,126	\$ 97,055
813	14	-	17	-	500	-	002	-	8015	\$ 13,711	\$ 30,857
814	14	-	17	-	500	-	002	-	8016	\$ 1	\$ 2
815	14	-	17	-	500	-	002	-	8018	\$ 14,740	\$ 33,172
816	14	-	17	-	500	-	002	-	8019	\$ 11,655	\$ 26,230
817	14	-	17	-	500	-	002	-	8020	\$ 1,976	\$ 4,447
818	14	-	17	-	500	-	002	-	8021	\$ 1,976	\$ 4,447
819	14	-	17	-	500	-	002	-	8023	\$ 107,080	\$ 240,984
						TOTAL	\$	25,675,679	\$	57,783,116	

EX=Tax Exempt Parcels
1999 Equalization Factor

2.2505

Map 1.
(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

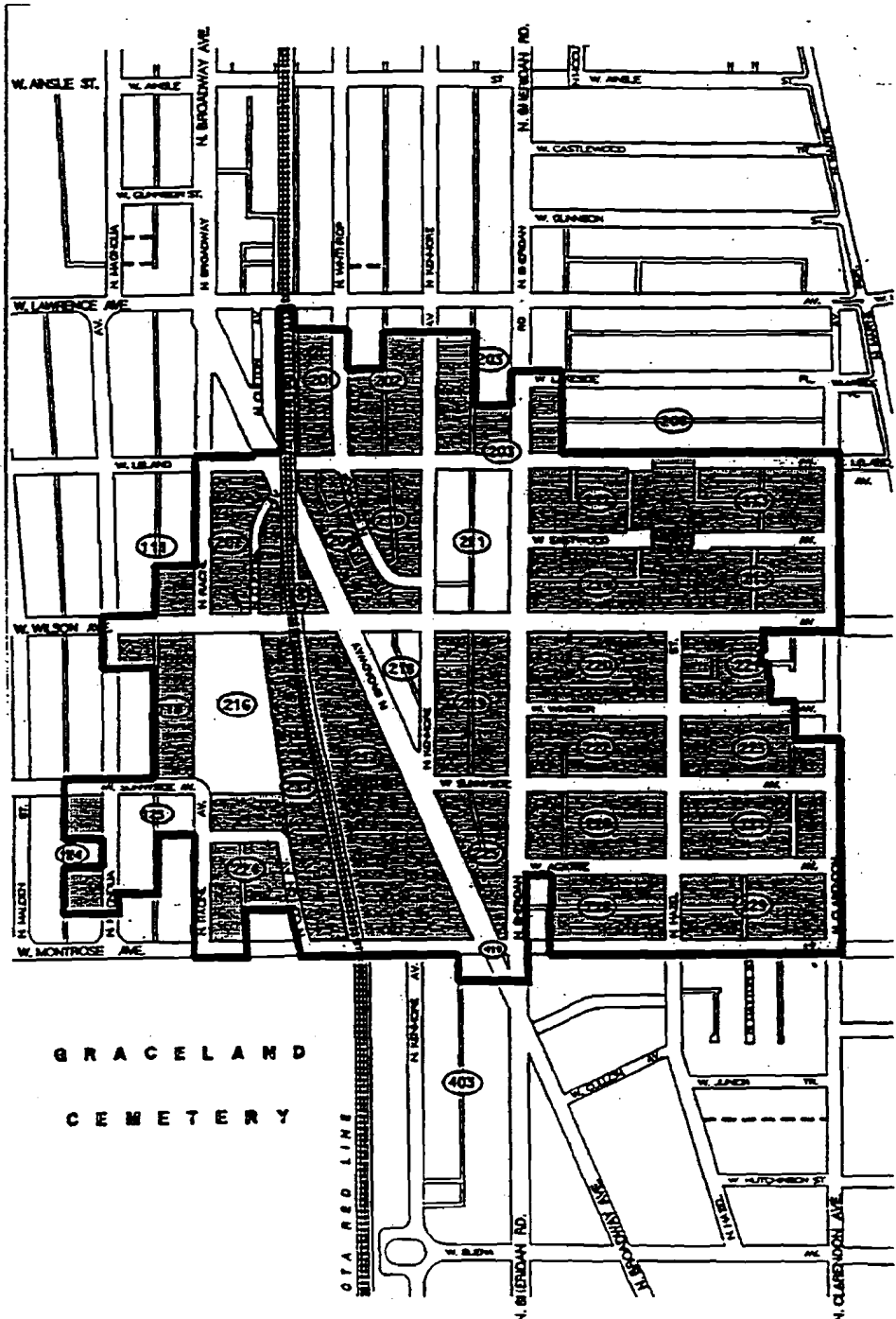
Community Context Map.



Map 4A.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Conservation Factor Map -- Age.



CITY OF CHICAGO

PROPOSED Wilson Yard TAX INCREMENT FINANCE DISTRICT

MAP 4A CONSERVATION FACTOR MAP AGE

LEGEND

- TIF BOUNDARY
- BLOCK NUMBER*
- AGE

Note: Shading indicates that a block has a sufficient number of buildings that meet the criteria for the Age factor.

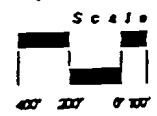
* Based on Cook County Permanent Index Numbering (P-I-N) System

October 2000

W.S. & Company
City of Chicago

Consolidated Tax Company, Inc.
Chicago, Illinois

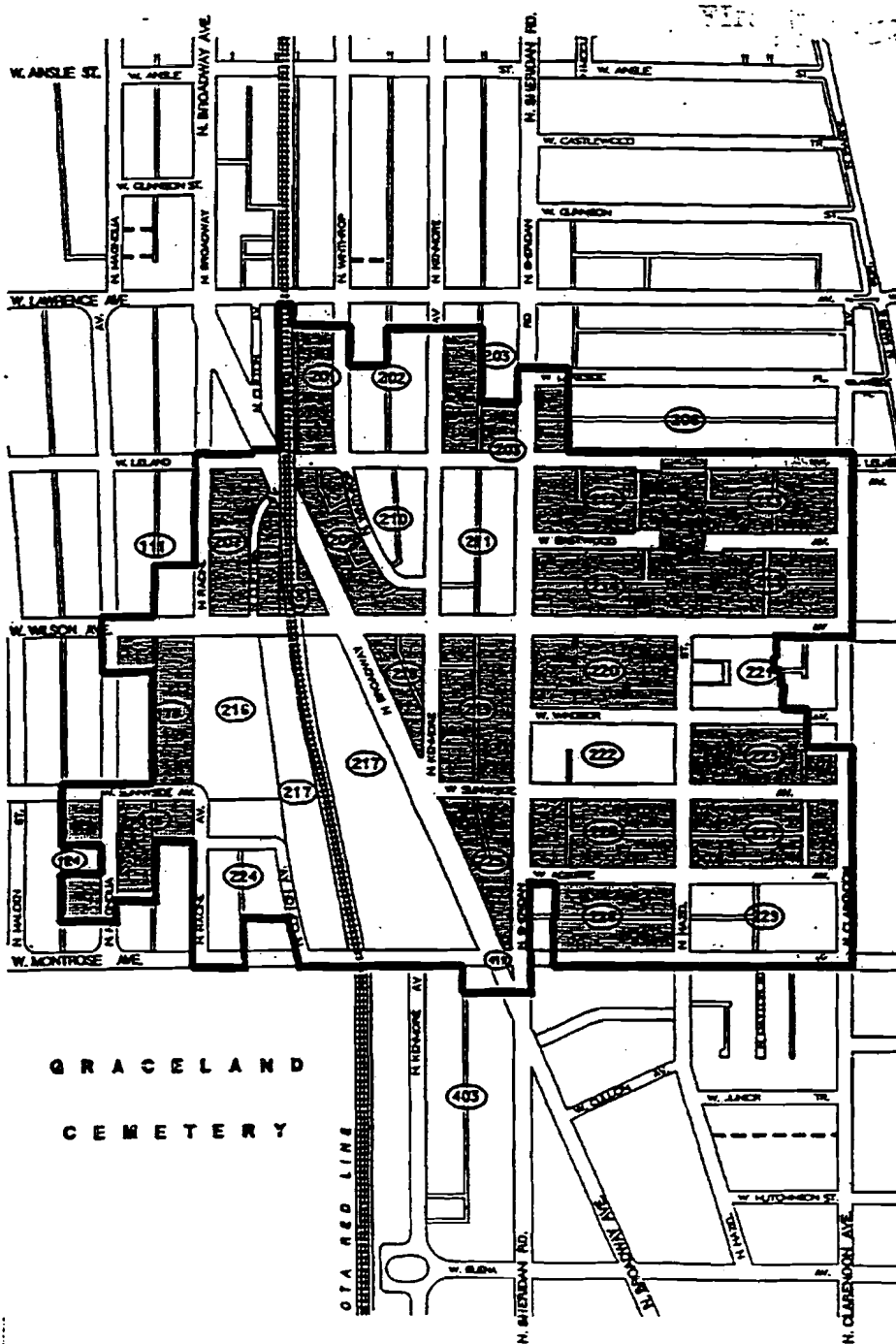
GRACELAND CEMETERY



Map 4B.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Conservation Factor Map -- Deterioration.



CITY OF CHICAGO

PROPOSED
Wilson Yard
TAX INCREMENT FINANCE DISTRICT

MAP 4B
CONSERVATION FACTOR MAP
MAP
DETERIORATION

LEGEND

- TIF BOUNDARY
- ⊙ 500 BLOCK NUMBER*
- [Shaded Box] DETERIORATION

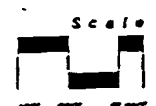
Note: Shading indicates that a block has a sufficient number of properties that meet the criteria for the Deterioration Factor.

* Based on Cook County Permanent Index Numbering (P-I-N) System

October 2000

S. E. Friedman & Company
and their professional personnel

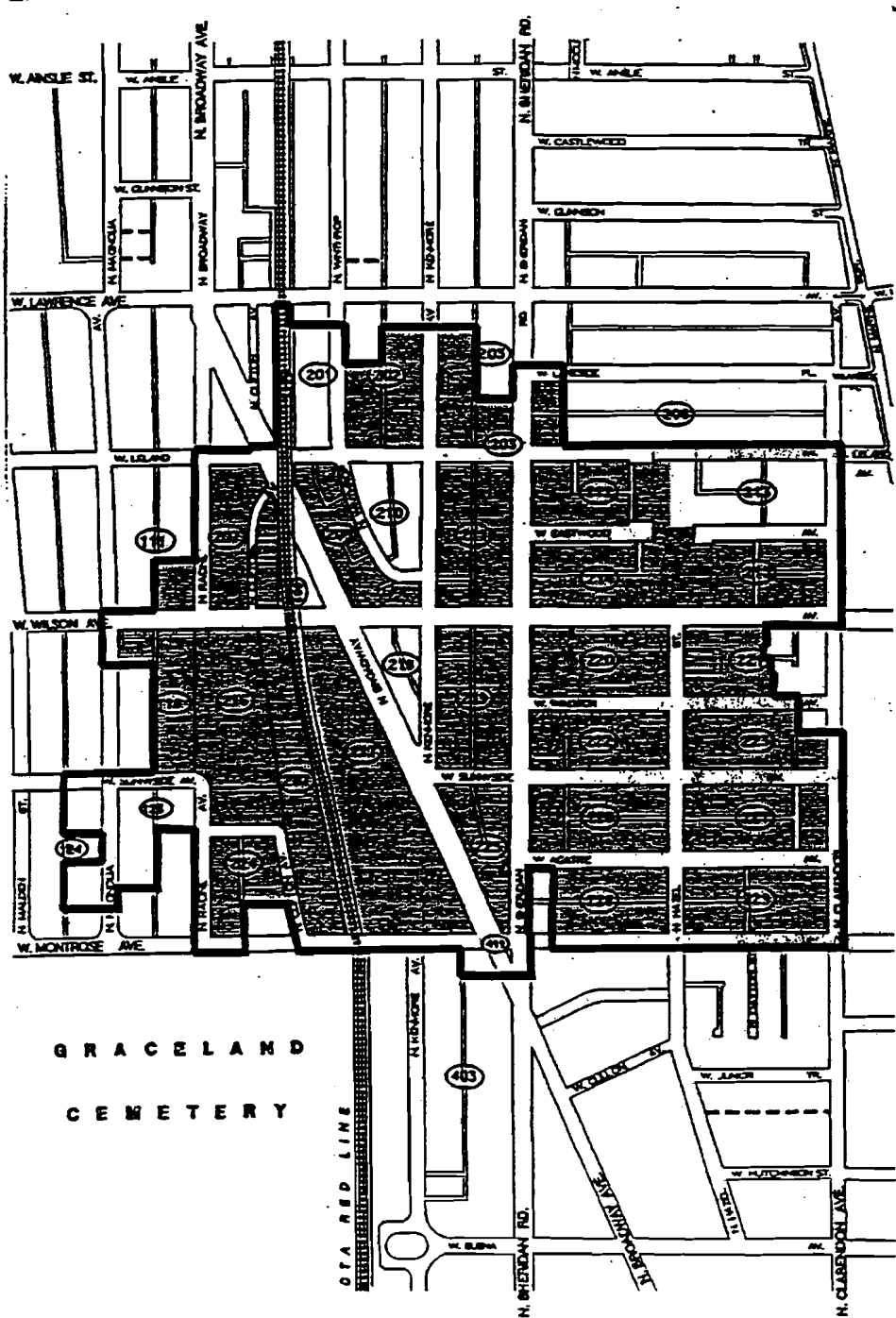
Connell Tax Connell, Inc.
and its professional personnel



Map 4C.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Conservation Factor Map - Structures Below Minimum Code.



CITY OF CHICAGO

PROPOSED
Wilson Yard
TAX
INCREMENT
FINANCE
DISTRICT

MAP 4C
CONSERVATION
FACTOR
MAP

STRUCTURES BELOW
MINIMUM CODE

LEGEND

- TIF BOUNDARY
- BLOCK NUMBER*
- STRUCTURES BELOW MINIMUM CODE

Note: Shading indicates that a block has a sufficient number of buildings that meet the criteria for the Structures Below Minimum Code factor.

* Based on Cook County Permanent Index Numbering (P-I-N) System

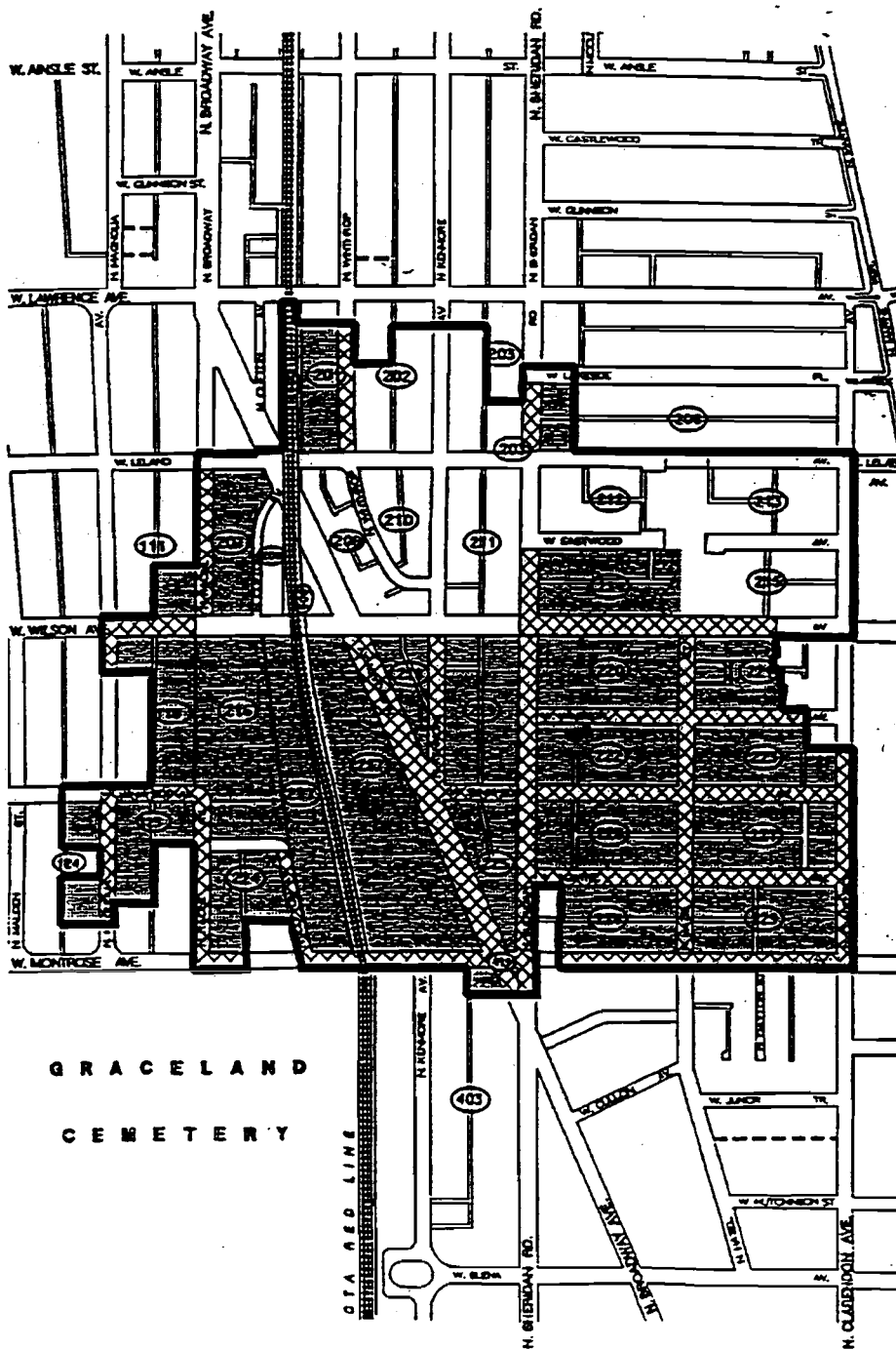
October 2000



Map 4D.

(To Wilson Yard Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan And Project)

Conservation Factor Map -- Inadequate Utilities.



CITY OF CHICAGO

PROPOSED Wilson Yard TAX INCREMENT FINANCE DISTRICT

MAP 4D CONSERVATION FACTOR MAP INADEQUATE UTILITIES

LEGEND

- TIF BOUNDARY
- BLOCK NUMBER*
- INADEQUATE UTILITIES
- INADEQUATE UTILITIES WITHIN P-O-W

Note: Shading indicates that a block has a sufficient number of P-4-As that meet the criteria for the Inadequate Utilities factor due to the age or condition of the sewer and water lines.

* Based on Cook County Permanent Index Numbering (P-4-N) System

October 2000

S. R. Friedman & Company
 Corbett Tax Counsel, Inc.
 CTC



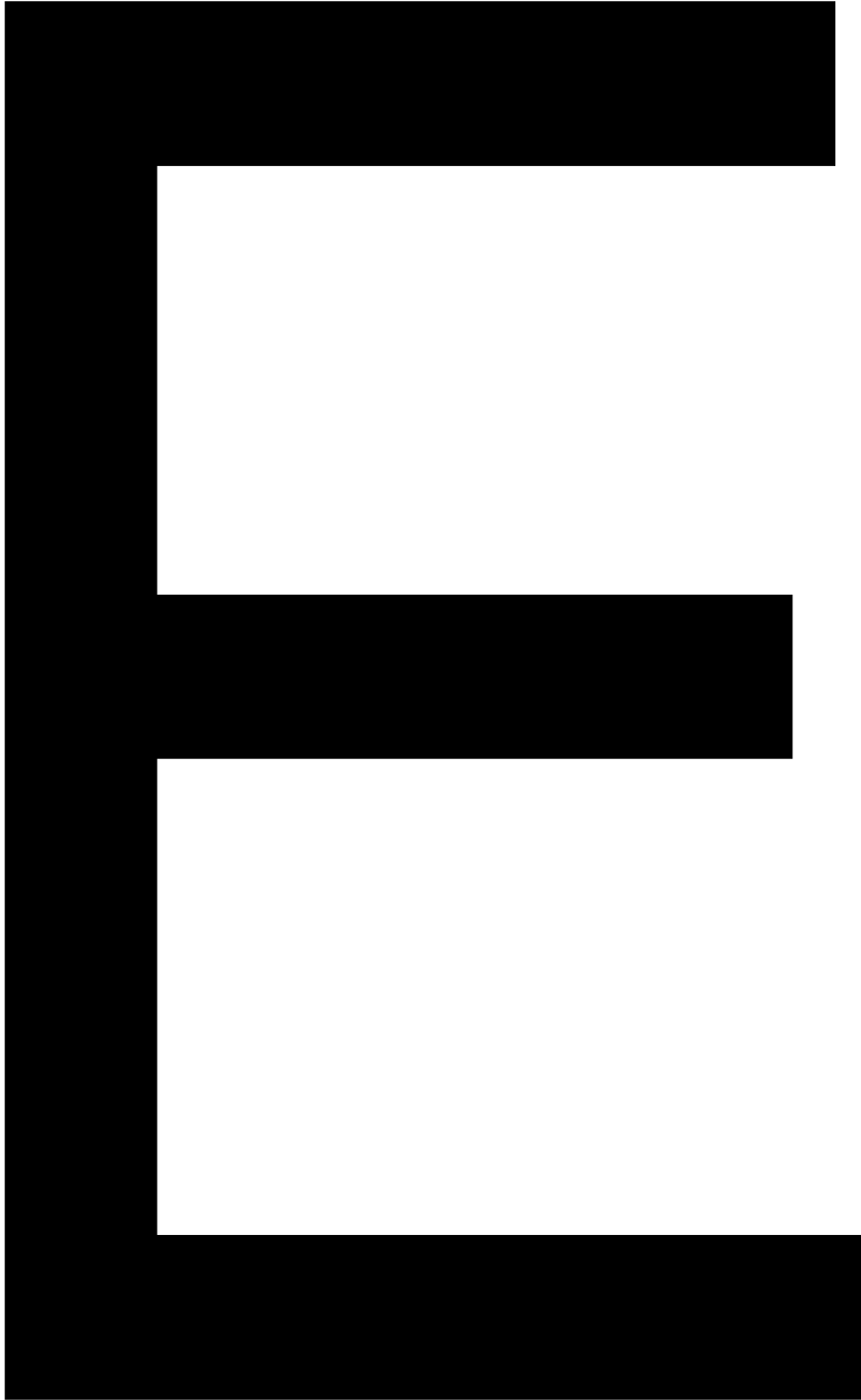


EXHIBIT E-1

CITY NOTE #1

REGISTERED

MAXIMUM
AMOUNT

NO. R-1

\$14,519,608

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (WILSON YARD
REDEVELOPMENT PROJECT), TAXABLE SERIES A**

Registered Owner:

Wilson Yard Development I, LLC, an Illinois limited liability company

Interest Rate:

a floating rate equal to the rate announced by Bridgeview Bank Group from time to time as its prime or base rate plus one-half of one percent (0.50%); then

_____ % per annum upon the closing of construction financing secured by this Note ("Initial Interest Rate") [which shall not exceed the prime interest rate as reported in the Wall Street Journal on the date one week prior to such closing plus 345 basis points]; then

_____ % per annum commencing on the date of issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (as defined in the hereinafter defined Redevelopment Agreement) [the Initial Interest Rate less 43 basis points]; then

the interest rate on this Note shall be reset as of the fifth anniversary of the Closing Date (as defined in the hereinafter defined Redevelopment Agreement), and every rate reset date thereafter to be that rate of interest per annum, which shall not exceed the Initial Interest Rate plus 257 basis points, necessary to pay interest on the Construction Loan (as defined in the hereinafter defined Pledge Agreement) assuming placement of the Construction Loan at the minimum interest rate necessary for placement at par for the longest term not to exceed five years; the date which is the last day of such term shall be the next rate reset date.

Maturity Date: December 31, 2024

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$14,519,608 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of _____, 2005 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the other City Notes (as defined in the Redevelopment Agreement). This Note is also the subject of a Pledge Agreement dated as of _____, 2005 among, *inter alia*, the City, the Registered Owner and the Registered Owner's construction lender (the "Pledge Agreement").

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (but interest shall be paid on March 1 of each year prior to that time and used in accordance with the Pledge Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year commencing March 1, 2011 in the

amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the then current interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$14,519,608 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Master Developer in connection with the Phase I Improvements of the Project (as such terms are defined in the Redevelopment Agreement) located in the Wilson Yard Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on June 27, 2001 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date on or after 545 days following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes of other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Phase I Improvements and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in an amount not to exceed \$14,519,608 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.01 and Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving

payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____.

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Wilson Yard Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(_____, 2__)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Wilson Yard Redevelopment Project, Taxable Series A)
(the "City Note #1")

This Certification is submitted to you, Registered Owner of the City Note #1, pursuant to the Ordinance of the City authorizing the execution of the City Note #1 adopted by the City Council of the City on September 14, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the City Note #1 as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note #1 is \$_____, including the amount of this Certificate and less payment made on the City Note #1.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR

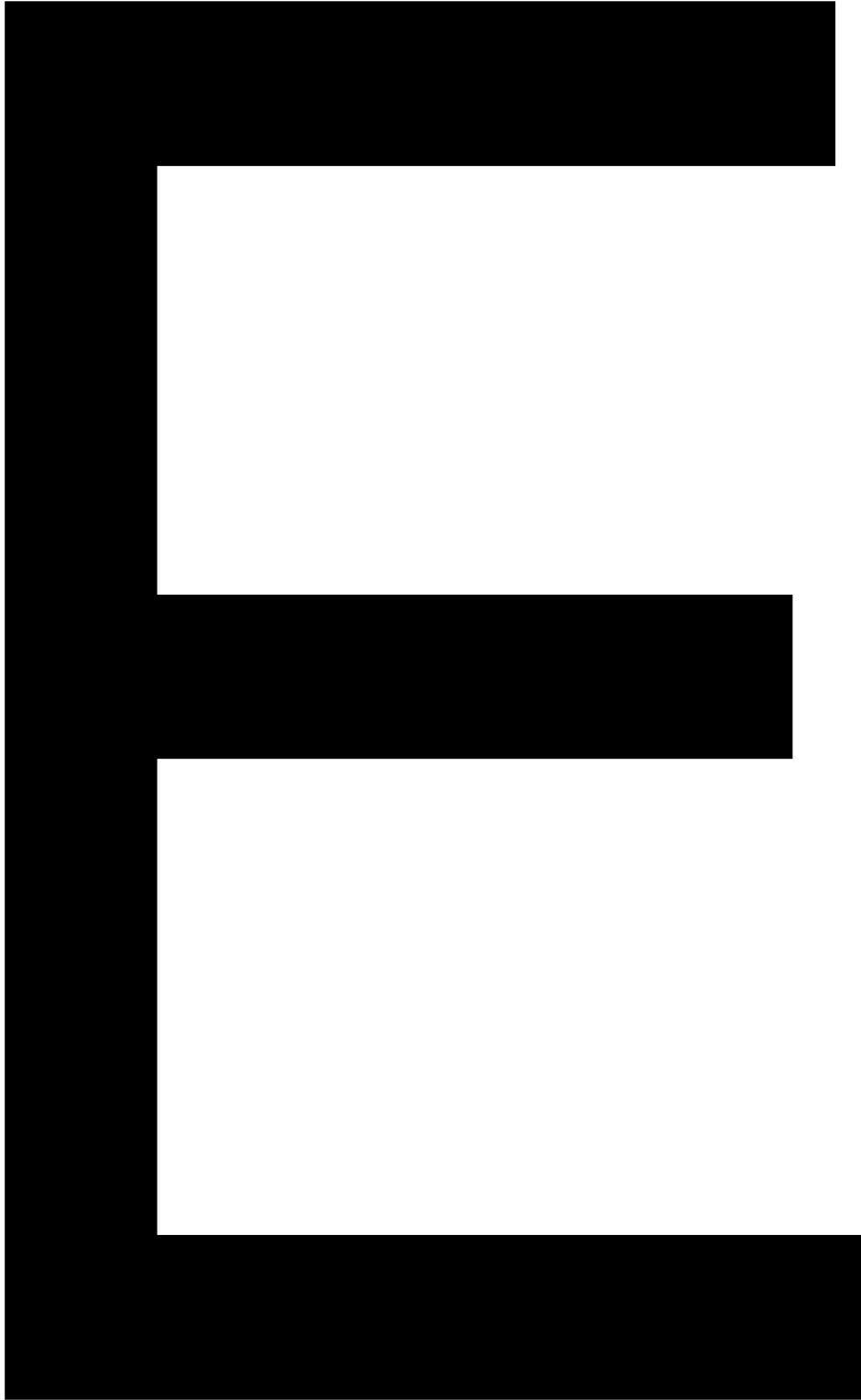


EXHIBIT E-2

CITY NOTE #2

REGISTERED

MAXIMUM
AMOUNT

NO. R-2

\$4,082,620

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (WILSON YARD
REDEVELOPMENT PROJECT), TAXABLE SERIES A**

Registered Owner:

Wilson Yard Development Corporation, an Illinois corporation

Interest Rate:

a floating rate equal to the rate announced by Bridgeview Bank Group from time to time as its prime or base rate plus one-half of one percent (0.50%); then

_____ % per annum upon the closing of construction financing secured by this Note ("Initial Interest Rate") [which shall not exceed the prime interest rate as reported in the Wall Street Journal on the date one week prior to such closing plus 345 basis points]; then

_____ % per annum commencing on the date of issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (as defined in the hereinafter defined Redevelopment Agreement) [the Initial Interest Rate less 43 basis points]; then

the interest rate on this Note shall be reset as of the fifth anniversary of the Closing Date (as defined in the hereinafter defined Redevelopment Agreement), and every rate reset date thereafter to be that rate of interest per annum, which shall not exceed the Initial Interest Rate plus 257 basis points, necessary to pay interest on the Construction Loan (as defined in the hereinafter defined Pledge Agreement) assuming placement of the Construction Loan at the minimum interest rate necessary for placement at par for the longest term not to exceed five years; the date which is the last day of such term shall be the next rate reset date.

Maturity Date: December 31, 2024

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$4,082,620 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of _____, 2005 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the other City Notes (as defined in the Redevelopment Agreement). This Note is also the subject of a Pledge Agreement dated as of _____, 2005 among, *inter alia*, the City, the Registered Owner and the Registered Owner's construction lender (the "Pledge Agreement").

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (but interest shall be paid on March 1 of each year prior to that time and used in accordance with the Pledge Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year commencing March 1, 2011 in the

amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the then current interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$4,082,620 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Registered Owner in connection with the Phase II Improvements of the Project (as such terms are defined in the Redevelopment Agreement) located in the Wilson Yard Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on June 27, 2001 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date on or after 545 days following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes of other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Phase II Improvements and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in an amount not to exceed \$4,082,620 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.01 and Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving

payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____.

Mayor

(SEAL)
Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Wilson Yard Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller
Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(_____, 2____)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Wilson Yard Redevelopment Project, Taxable Series A)
(the "City Note #2")

This Certification is submitted to you, Registered Owner of the City Note #2, pursuant to the Ordinance of the City authorizing the execution of the City Note #2 adopted by the City Council of the City on September 14, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the City Note #2 as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note #2 is \$_____, including the amount of this Certificate and less payment made on the City Note #2.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR

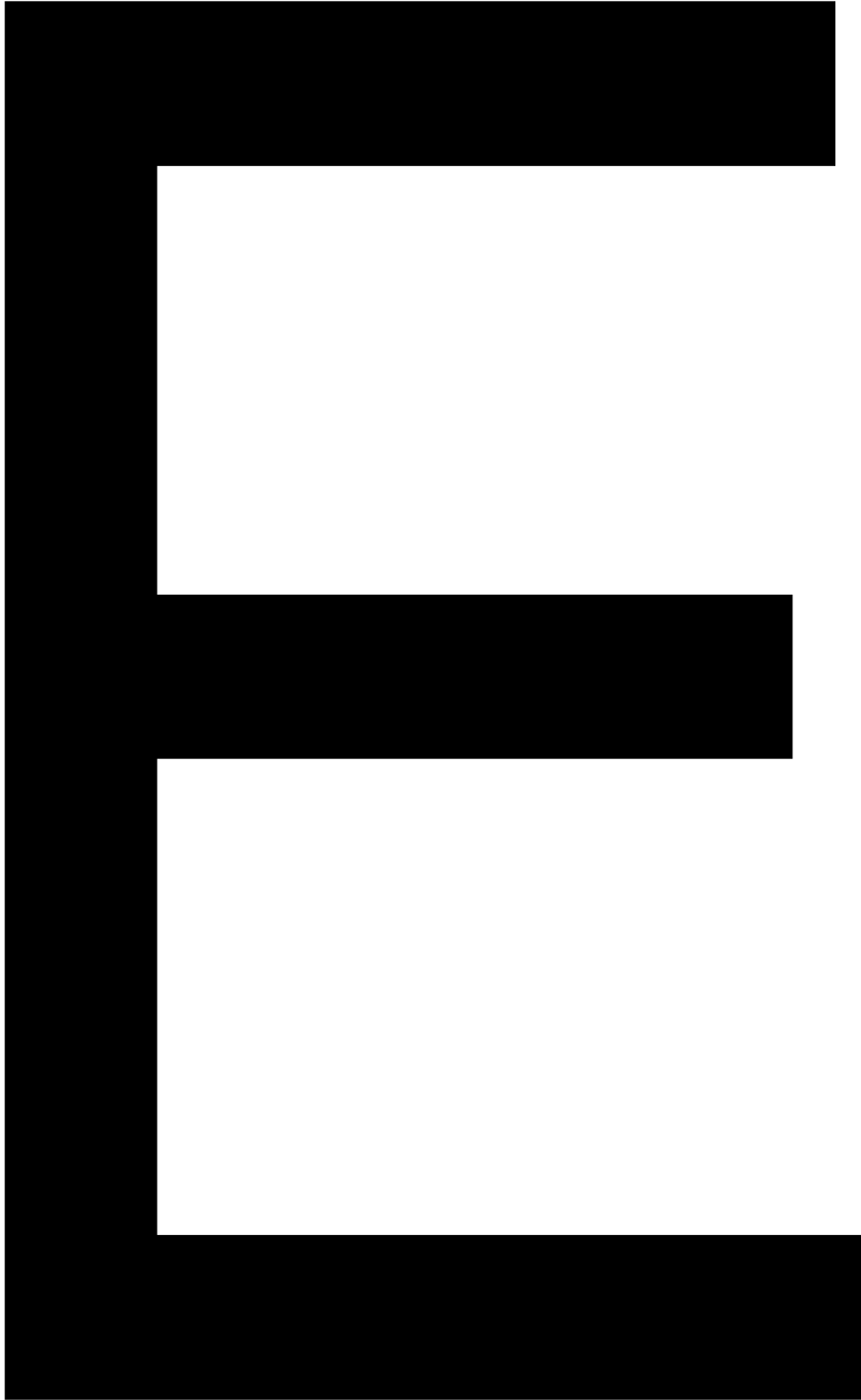


EXHIBIT E-3

CITY NOTE #3

REGISTERED

MAXIMUM
AMOUNT

NO. R-3

\$4,500,200

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

CITY OF CHICAGO

**TAX INCREMENT ALLOCATION REVENUE NOTE (WILSON YARD
REDEVELOPMENT PROJECT), TAXABLE SERIES A**

Registered Owner:

Wilson Yard Development Corporation, an Illinois corporation

Interest Rate:

a floating rate equal to the rate announced by Bridgeview Bank Group from time to time as its prime or base rate plus one-half of one percent (0.50%); then

_____ % per annum upon the closing of construction financing secured by this Note ("Initial Interest Rate") [which shall not exceed the prime interest rate as reported in the Wall Street Journal on the date one week prior to such closing plus 345 basis points]; then

_____ % per annum commencing on the date of issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (as defined in the hereinafter defined Redevelopment Agreement) [the Initial Interest Rate less 43 basis points]; then

the interest rate on this Note shall be reset as of the fifth anniversary of the Closing Date (as defined in the hereinafter defined Redevelopment Agreement), and every rate reset date thereafter to be that rate of interest per annum, which shall not exceed the Initial Interest Rate plus 257 basis points, necessary to pay interest on the Construction Loan (as defined in the hereinafter defined Pledge Agreement) assuming placement of the Construction Loan at the minimum interest rate necessary for placement at par for the longest term not to exceed five years; the date which is the last day of such term shall be the next rate reset date.

Maturity Date: December 31, 2024

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$4,500,200 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of _____, 2005 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the other City Notes (as defined in the Redevelopment Agreement). This Note is also the subject of a Pledge Agreement dated as of _____, 2005 among, *inter alia*, the City, the Registered Owner and the Registered Owner's construction lender (the "Pledge Agreement").

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (but interest shall be paid on March 1 of each year prior to that time and used in accordance with the Pledge Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year commencing March 1, 2011 in the

amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the then current interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$4,500,200 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Registered Owner in connection with the Phase II Improvements of the Project (as such terms are defined in the Redevelopment Agreement) located in the Wilson Yard Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on June 27, 2001 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date on or after 545 days following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes of other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Phase II Improvements and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in an amount not to exceed \$4,500,200 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.01 and Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving

payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, ____.

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Wilson Yard Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(_____, 2___)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Wilson Yard Redevelopment Project, Taxable Series A)
(the "City Note #3")

This Certification is submitted to you, Registered Owner of the City Note #3, pursuant to the Ordinance of the City authorizing the execution of the City Note #3 adopted by the City Council of the City on September 14, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the City Note #3 as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note #3 is \$_____, including the amount of this Certificate and less payment made on the City Note #3.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR

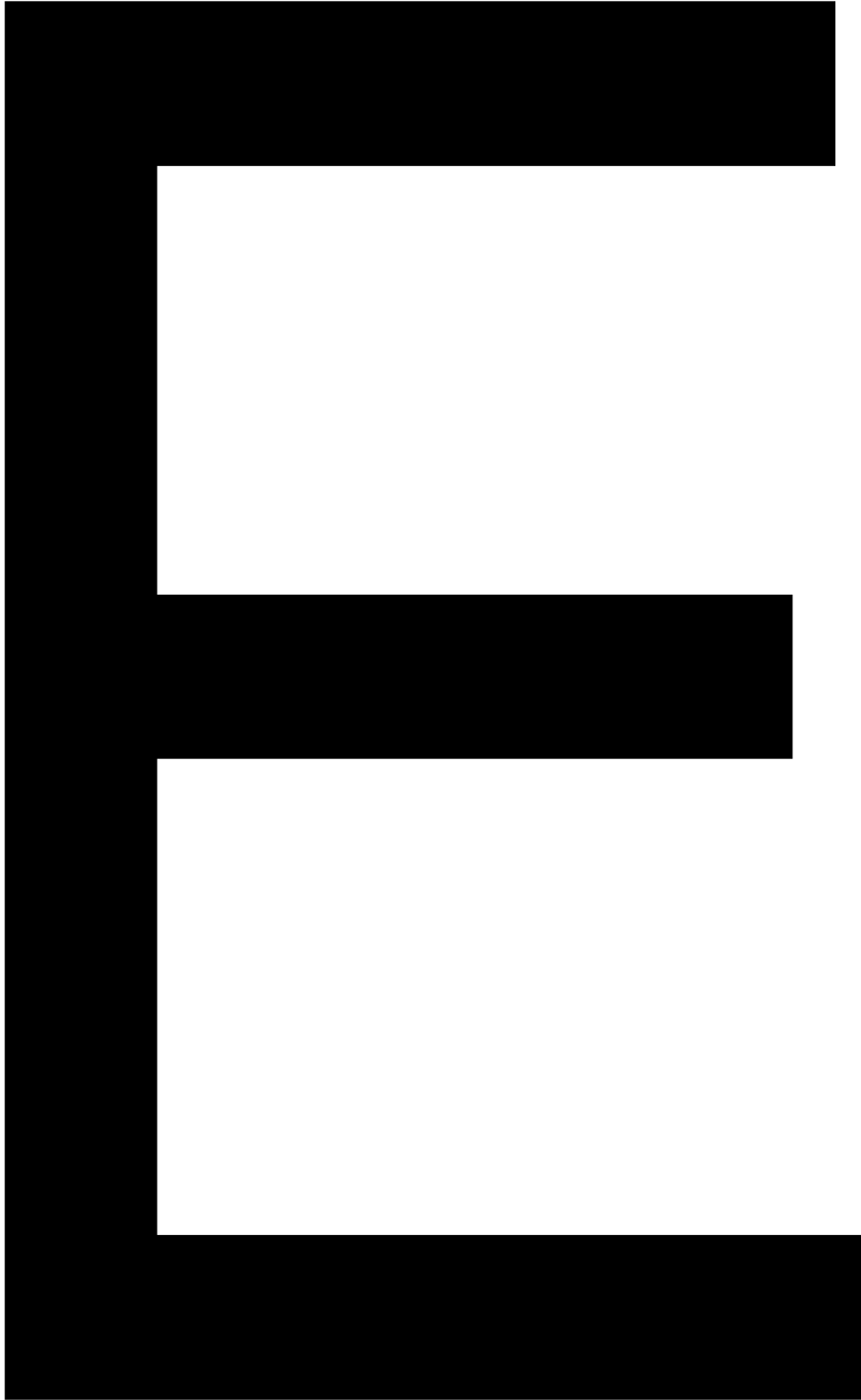


EXHIBIT E-4

CITY NOTE #4

REGISTERED

MAXIMUM
AMOUNT

NO. R-4

\$6,625,848

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (WILSON YARD
REDEVELOPMENT PROJECT), TAXABLE SERIES A**

Registered Owner:

Wilson Yard Senior Development Corporation, an
Illinois corporation

Interest Rate:

a floating rate equal to the rate announced by
Bridgeview Bank Group from time to time as its prime
or base rate plus one-half of one percent (0.50%);
then

_____ % per annum upon the closing of construction
financing secured by this Note ("Initial Interest Rate")
[which shall not exceed the prime interest rate as
reported in the Wall Street Journal on the date one
week prior to such closing plus 345 basis points]; then

_____ % per annum commencing on the date of
issuance of the last to issue of the Phase I Certificate,
the Phase II Certificate and the Phase III Certificate
(as defined in the hereinafter defined Redevelopment
Agreement) [the Initial Interest Rate less 43 basis
points]; then

the interest rate on this Note shall be reset as of the
fifth anniversary of the Closing Date (as defined in the
hereinafter defined Redevelopment Agreement), and
every rate reset date thereafter to be that rate of
interest per annum, which shall not exceed the Initial
Interest Rate plus 257 basis points, necessary to pay
interest on the Construction Loan (as defined in the
hereinafter defined Pledge Agreement) assuming
placement of the Construction Loan at the minimum
interest rate necessary for placement at par for the
longest term not to exceed five years; the date which

is the last day of such term shall be the next rate reset date.

Maturity Date: December 31, 2024

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$6,625,848 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of _____, 2005 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the other City Notes (as defined in the Redevelopment Agreement). This Note is also the subject of a Pledge Agreement dated as of _____, 2005 among, *inter alia*, the City, the Registered Owner and the Registered Owner's construction lender (the "Pledge Agreement").

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (but interest shall be paid on March 1 of each year prior to that time and used in accordance with the Pledge Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year commencing March 1, 2011 in the amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the then current interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$6,625,848 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Registered Owner in connection with the Phase III Improvements of the Project (as such terms are defined in the Redevelopment Agreement) located in the Wilson Yard Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1

et seq.) and an Ordinance adopted by the City Council of the City on June 27, 2001 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date on or after 545 days following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes of other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Phase III Improvements and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in an amount not to exceed \$6,625,848 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.01 and Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving

payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, ____.

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Wilson Yard Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(_____, 2___)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Wilson Yard Redevelopment Project, Taxable Series A)
(the "City Note #4")

This Certification is submitted to you, Registered Owner of the City Note #4, pursuant to the Ordinance of the City authorizing the execution of the City Note #4 adopted by the City Council of the City on September 14, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the City Note #4 as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note #4 is \$_____, including the amount of this Certificate and less payment made on the City Note #4.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR

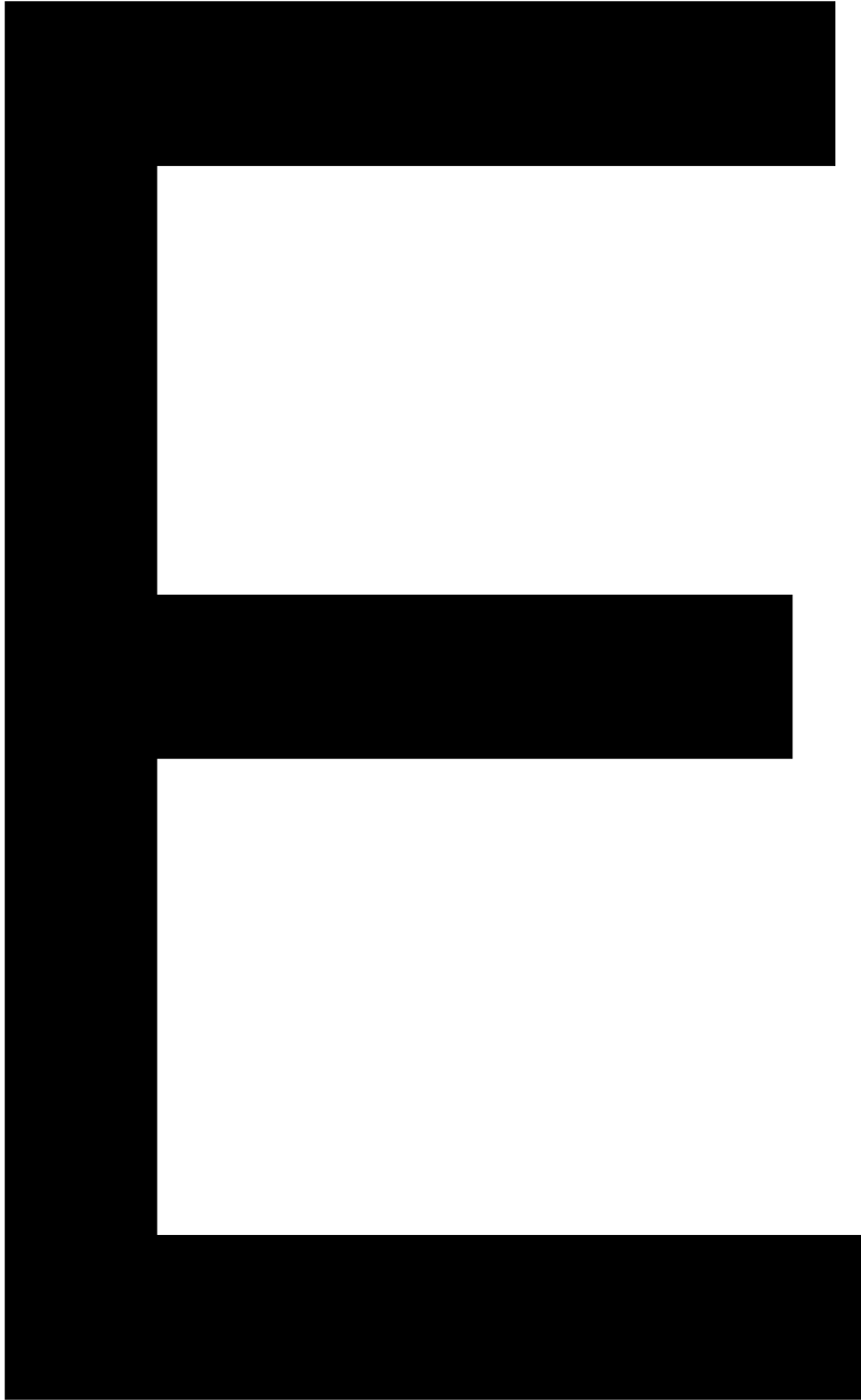


EXHIBIT E-5

CITY NOTE #5

REGISTERED

MAXIMUM
AMOUNT

NO. R-5

\$837,037

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (WILSON YARD
REDEVELOPMENT PROJECT), TAXABLE SERIES A**

Registered Owner:

Wilson Yard Senior Development Corporation, an
Illinois corporation

Interest Rate:

a floating rate equal to the rate announced by
Bridgeview Bank Group from time to time as its prime
or base rate plus one-half of one percent (0.50%);
then; then

_____ % per annum upon the closing of construction
financing secured by this Note ("Initial Interest Rate")
[which shall not exceed the prime interest rate as
reported in the Wall Street Journal on the date one
week prior to such closing plus 345 basis points]; then

_____ % per annum commencing on the date of
issuance of the last to issue of the Phase I Certificate,
the Phase II Certificate and the Phase III Certificate
(as defined in the hereinafter defined Redevelopment
Agreement) [the Initial Interest Rate less 43 basis
points]; then

the interest rate on this Note shall be reset as of the
fifth anniversary of the Closing Date (as defined in the
hereinafter defined Redevelopment Agreement), and
every rate reset date thereafter to be that rate of
interest per annum, which shall not exceed the Initial
Interest Rate plus 257 basis points, necessary to pay
interest on the Construction Loan (as defined in the
hereinafter defined Pledge Agreement) assuming
placement of the Construction Loan at the minimum
interest rate necessary for placement at par for the
longest term not to exceed five years; the date which
is the last day of such term shall be the next rate reset
date.

Maturity Date: December 31, 2024

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$837,037 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of _____, 2005 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the other City Notes (as defined in the Redevelopment Agreement). This Note is also the subject of a Pledge Agreement dated as of _____, 2005 among, *inter alia*, the City, the Registered Owner and the Registered Owner's construction lender (the "Pledge Agreement").

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the last to issue of the Phase I Certificate, the Phase II Certificate and the Phase III Certificate (but interest shall be paid on March 1 of each year prior to that time and used in accordance with the Pledge Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year commencing March 1, 2011 in the

amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the then current interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$837,037 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Registered Owner in connection with the Phase III Improvements of the Project (as such terms are defined in the Redevelopment Agreement) located in the Wilson Yard Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on June 27, 2001 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** The principal of this Note is subject to redemption on any date on or after 545 days following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes of other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Phase III Improvements and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in an amount not to exceed \$837,037 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.01 and Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving

payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, _____.

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Wilson Yard Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

CERTIFICATION OF EXPENDITURE

(_____, 2____)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Wilson Yard Redevelopment Project, Taxable Series A)
(the "City Note #5")

This Certification is submitted to you, Registered Owner of the City Note #5, pursuant to the Ordinance of the City authorizing the execution of the City Note #5 adopted by the City Council of the City on September 14, 2005 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the City Note #5 as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note #5 is \$_____, including the amount of this Certificate and less payment made on the City Note #5.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and
Development

AUTHENTICATED BY:

REGISTRAR

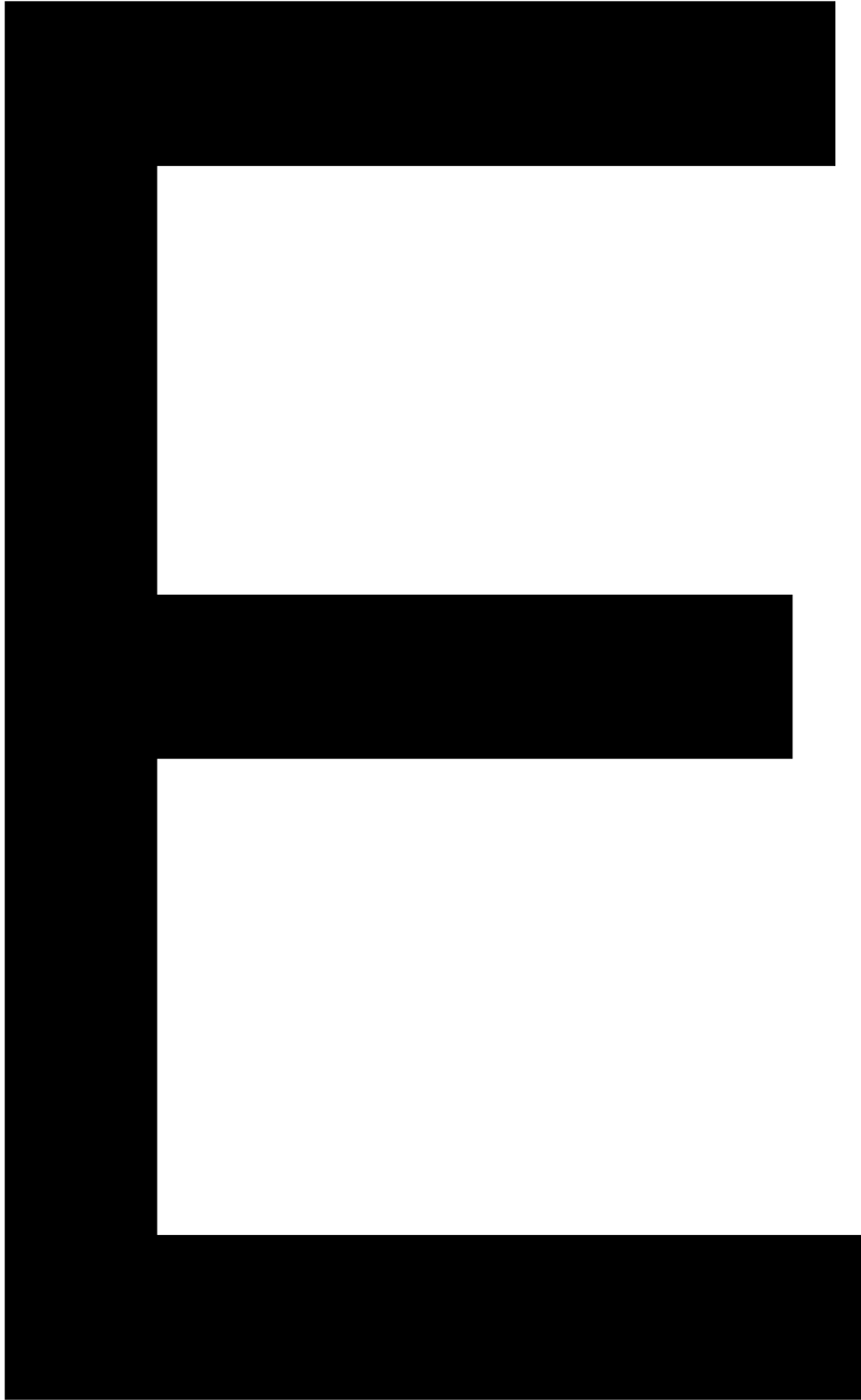


EXHIBIT F

CONSTRUCTION CONTRACTS

See attached.

AIA® Document A101™ – 1997

Standard Form of Agreement Between Owner and Contractor *where the basis of payment is a STIPULATED SUM*

AGREEMENT made as of the 22nd day of November in the year of 2005
(In words, indicate day, month and year)

BETWEEN the Owner:
(Name, address and other information)

Wilson Yard Development I, LLC, an Illinois limited liability company 1333 North Kingsbury, Suite 305
Chicago, Illinois 60622
Attention: Peter Holsten
Phone: (312) 337-5339
Fax: (312) 337-4592

and the Contractor:
(Name, address and other information)

Charter Construction Company, an Illinois corporation
3550 Salt Creek Lane, Suite 116
Arlington Heights, Illinois 60005 Attention: Link Smith
Phone: (847) 342-1188

The Project is:
(Name and location)

Aldi Food Store – Core & Shell
4450-4474 North Broadway Avenue
Chicago, IL 60640-5660

The Architect is:
(Name, address and other information)

Adime Architecture
6430 N. Olympia Avenue
Chicago, IL 60631
Attention: Peter Madimeros
Phone: (773) 594-1610

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be ~~the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.~~
(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

March 1, 2006

If, prior to the commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than ~~days from the date of commencement, or as follows:~~
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

August 1, 2006

Portion of Work	Substantial Completion Date
------------------------	------------------------------------

, subject to adjustments of this Contract Time as provided in the Contract Documents.
(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Two Million One Hundred Thirty-Two Thousand One Hundred TwentyTwo and No/100 Dollars (\$ 2,132,122.00), subject to additions and deductions as provided in the Contract Documents. Attached to the Agreement as Exhibit E is the Schedule of Values for the Project setting forth the Project budget and the line-item breakdown of the Contract Sum.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires)

N/A

§ 4.3 Unit prices, if any, are as follows:

Description	Units	Price (\$ 0.00)
N/A		

ARTICLE 5 PAYMENTS

§ 5.1 PROGRESS PAYMENTS

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

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

All applications for payment and processing shall be made in accordance with the procedures established by the Owner and Bridgeview Bank, its lender for the Project ("Owner's Lender").

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the first day of a month, the Owner shall make payment to the Contractor not later than the fifteenth day of the next month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than sixty (60) days after the Architect receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

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

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of ~~(ten percent)~~. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of ten (10%);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and one hundred percent (100%) of the Contract and less 150% of the value of the remaining punchlist items (as described in Article 3.3). (Section 9.8.5 of AIA Document A201-1997 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-1997.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

N/A

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

§ 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

ARTICLE 6 TERMINATION OR SUSPENSION

§ 6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

§ 6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

ARTICLE 7 MISCELLANEOUS PROVISIONS

§ 7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

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

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

(←)

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

§ 7.3 The Owner's representative is:
(Name, address and other information)

Tom Arena
Mid-America Asset Management
Third Floor
Mid-America Plaza
Oak Brook Terrace, Illinois 60181-4713
Phone: (630) 954-7300

§ 7.4 The Contractor's representative is:
(Name, address and other information)

Link Smith
Charter Construction Company
3550 Salt Creek Lane, Suite 116
Arlington Heights, Illinois 60005
Phone: (847) 342-1188

§ 7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 7.6 Other provisions:

ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS

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

§ 8.1.1 The Agreement is this modified and executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document ~~A101-1997~~ A101-1997, as modified and attached hereto.

§ 8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

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

Document	Title	Pages
<u>N/A</u>		

§ 8.1.4 The Specifications are those contained in the Project Manual dated ~~as in Section 8.1.3~~, and are as follows: March 28, 2005
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages
§ 8.1.5	The Drawings are as follows, and are dated unless a different date is shown below: (Either list the Drawings here or refer to an exhibit attached to this Agreement.)	
Number	Title	Date

As set forth in Exhibit A

§ 8.1.6 The Addenda, if any, are as follows:

Number	Date	Pages
None		

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

§ 8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

Exhibit A - Drawing List

Exhibit B - Insurance Requirements

Exhibit C - List of Additional Insureds

Exhibit D - City of Chicago Requirements Exhibits E and E-1 - Project Budget/Schedule of Values

Exhibit F - Bid Scope Clarifications (the extent a conflict exists between Exhibit F and a term or condition in the Agreement, the term or condition in the Agreement shall control)

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

Wilson Yard Development I, LLC
an Illinois limited liability company

OWNER (Signature)



By:

Its: Managing Member

(Printed name and title)

(Printed name and title)

Charter Construction Company, an
Illinois corporation

CONTRACTOR (Signature)

By:

Its:

(Printed name and title)

(Printed name and title)

Section	Title	Pages
§ 8.1.5	The Drawings are as follows, and are dated _____ unless a different date is shown below: (Either list the Drawings here or refer to an exhibit attached to this Agreement.)	

Number	Title	Date
As set forth in Exhibit A		

§ 8.1.6 The Addenda, if any, are as follows:

Number	Date	Pages
<u>Bid Clarification No. 1</u>	<u>August 18, 2005</u>	

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

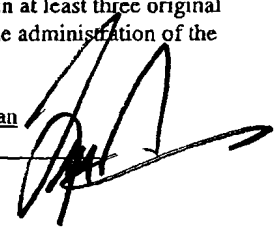
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- Exhibit C - List of Additional Insureds
- Exhibit D - City of Chicago Requirements Exhibit E - Project Budget/Schedule of Values

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Wilson Yard Development I, LLC
an Illinois limited liability company
OWNER (Signature)

Charter Construction Company, an
Illinois corporation
CONTRACTOR (Signature)



By: _____
Its: Managing Member
(Printed name and title)
(Printed name and title)

By: LINK SMITH
Its: PRESIDENT
(Printed name and title)
(Printed name and title)

AIA® Document A201™ – 1997

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address):

Aldi Food Store – Core and Shell
4450-4474 North Broadway Avenue
Chicago, Illinois 60640 - 5660

THE OWNER:

(Name and address):

Wilson Yard Development I, LLC, an Illinois limited liability company
1333 North Kingsbury, Suite 305
Chicago, Illinois 60622, Attention: Peter Holsten
Phone: (312) 337-5339
Fax: (312) 337-4592

THE ARCHITECT:

(Name and address):

Adime Architecture
6430 N. Olympia Avenue
Chicago, Illinois 60631
Attention: Peter Madimenos
Phone: (773) 594-1610

TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 OWNER
- 3 CONTRACTOR
- 4 ADMINISTRATION OF THE CONTRACT
- 5 SUBCONTRACTORS
- 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
- 7 CHANGES IN THE WORK
- 8 TIME
- 9 PAYMENTS AND COMPLETION
- 10 PROTECTION OF PERSONS AND PROPERTY
- 11 INSURANCE AND BONDS
- 12 UNCOVERING AND CORRECTION OF WORK
- 13 MISCELLANEOUS PROVISIONS
- 14 TERMINATION OR SUSPENSION OF THE CONTRACT

This document has important legal consequences.

Consultation with an attorney is encouraged with respect to its completion or modification.

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

INDEX

(Numbers and Topics in Bold are Section Headings)

Acceptance of Nonconforming Work

9.6.6, 9.9.3, **12.3**

Acceptance of Work

9.6.6, 9.8.2, 9.9.3, 9.10.1, 9.10.3, **12.3**

Access to Work

3.16, 6.2.1, 12.1

Accident Prevention

4.2.3, **10**

Acts and Omissions

3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 4.3.8, 4.4.1, 8.3.1, 9.5.1, 10.2.5, 13.4.2, 13.7, **14.1**

Addenda

1.1.1, **3.11**

Additional Costs, Claims for

4.3.4, 4.3.5, 4.3.6, 6.1.1, **10.3**

Additional Inspections and Testing

9.8.3, 12.2.1, **13.5**

Additional Time, Claims for

4.3.4, 4.3.7, **8.3.2**

ADMINISTRATION OF THE CONTRACT

3.1.3, 4, 9.4, **9.5**

Advertisement or Invitation to Bid

1.1.1

Aesthetic Effect

4.2.13, **4.5.1**

Allowances

3.8

All-risk Insurance

11.4.1.1

Applications for Payment

4.2.5, 7.3.8, 9.2, **9.3, 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5, 9.10, 11.1.3, 14.2.4, 14.4.3**

Approvals

2.4, 3.1.3, 3.5, 3.10.2, 3.12, 4.2.7, 9.3.2, 13.4.2, **13.5**

Arbitration

4.3.3, 4.4, 4.5.1, 4.5.2, **4.6, 8.3.1, 9.7.1, 11.4.9, 11.4.10**

Architect

4.1

Architect, Definition of

4.1.1

Architect, Extent of Authority

2.4, 3.12.7, 4.2, 4.3.6, 4.4, 5.2, 6.3, 7.1.2, 7.3.6, 7.4, 9.2, 9.3.1, 9.4, 9.5, 9.8.3, 9.10.1, 9.10.3, 12.1, 12.2.1, 13.5.1, 13.5.2, 14.2.2, **14.2.4**

Architect, Limitations of Authority and Responsibility

2.1.1, 3.3.3, 3.12.4, 3.12.8, 3.12.10, 4.1.2, 4.2.1, 4.2.2, 4.2.3, 4.2.6, 4.2.7, 4.2.10, 4.2.12, 4.2.13, 4.4, 5.2.1, 7.4, 9.4.2, 9.6.4, **9.6.6**

Architect's Additional Services and Expenses

2.4, 11.4.1.1, 12.2.1, 13.5.2, 13.5.3, **14.2.4**

Architect's Administration of the Contract

3.1.3, 4.2, 4.3.4, 4.4, 9.4, **9.5**

Architect's Approvals

2.4, 3.1.3, 3.5.1, 3.10.2, **4.2.7**

Architect's Authority to Reject Work

3.5.1, 4.2.6, 12.1.2, **12.2.1**

Architect's Copyright

1.6

Architect's Decisions

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5, 4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

Architect's Inspections

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 13.5

Architect's Instructions

3.2.3, 3.3.1, 4.2.6, 4.2.7, 4.2.8, 7.4.1, 12.1, 13.5.2

Architect's Interpretations

4.2.11, 4.2.12, 4.3.6

Architect's Project Representative

4.2.10

Architect's Relationship with Contractor

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1, 3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2, 4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12, 13.4.2, 13.5

Architect's Relationship with Subcontractors

1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.4.7

Architect's Representations

9.4.2, 9.5.1, 9.10.1

Architect's Site Visits

4.2.2, 4.2.5, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.5

Asbestos

10.3.1

Attorneys' Fees

3.18.1, 9.10.2, 10.3.3

Award of Separate Contracts

6.1.1, 6.1.2

Award of Subcontracts and Other Contracts for Portions of the Work

5.2

Basic Definitions

1.1

Bidding Requirements

1.1.1, 1.1.7, 5.2.1, 11.5.1

Boiler and Machinery Insurance

11.4.2

Bonds, Lien

9.10.2

Bonds, Performance, and Payment

7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5

Building Permit

3.7.1

Capitalization

1.3

Certificate of Substantial Completion

9.8.3, 9.8.4, 9.8.5

Certificates for Payment

4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1, 9.10.3, 13.7, 14.1.1.3, 14.2.4

Certificates of Inspection, Testing or Approval

13.5.4

Certificates of Insurance

9.10.2, 11.1.3

Change Orders

1.1.1, 2.4.1, 3.4.2, 3.8.2.3, 3.11.1, 3.12.8, 4.2.8, 4.3.4, 4.3.9, 5.2.3, 7.1, 7.2, 7.3, 8.3.1, 9.3.1.1, 9.10.3, 11.4.1.2, 11.4.4, 11.4.9, 12.1.2

Change Orders, Definition of

7.2.1

CHANGES IN THE WORK

3.11, 4.2.8, 7, 8.3.1, 9.3.1.1, 11.4.9

Claim, Definition of

4.3.1

Claims and Disputes

3.2.3, 4.3, 4.4, 4.5, 4.6, 6.1.1, 6.3, 7.3.8, 9.3.3, 9.10.4, 10.3.3

Claims and Timely Assertion of Claims

4.6.5

Claims for Additional Cost

3.2.3, 4.3.4, 4.3.5, 4.3.6, 6.1.1, 7.3.8, 10.3.2

Claims for Additional Time

3.2.3, 4.3.4, 4.3.7, 6.1.1, 8.3.2, 10.3.2

Claims for Concealed or Unknown Conditions

4.3.4

Claims for Damages

3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4

Claims Subject to Arbitration

4.4.1, 4.5.1, 4.6.1

Cleaning Up

3.15, 6.3

Commencement of Statutory Limitation Period

13.7

Commencement of the Work, Conditions Relating to

2.2.1, 3.2.1, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 4.3.5, 5.2.1, 5.2.3, 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.4.1, 11.4.6, 11.5.1

Commencement of the Work, Definition of

8.1.2

Communications Facilitating Contract Administration

3.9.1, 4.2.4

Completion, Conditions Relating to

1.6.1, 3.4.1, 3.11, 3.15, 4.2.2, 4.2.9, 8.2, 9.4.2, 9.8, 9.9.1, 9.10, 12.2, 13.7, 14.1.2

COMPLETION, PAYMENTS AND

9

Completion, Substantial

4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 9.10.4.2, 12.2, 13.7

Compliance with Laws

1.6.1, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6.4, 4.6.6, 9.6.4, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14.1.1, 14.2.1.3

Concealed or Unknown Conditions

4.3.4, 8.3.1, 10.3

Conditions of the Contract

1.1.1, 1.1.7, 6.1.1, 6.1.4

Consent, Written

1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2

CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

1.1.4, 6

Construction Change Directive, Definition of

7.3.1

Construction Change Directives

1.1.1, 3.12.8, 4.2.8, 4.3.9, 7.1, 7.3, 9.3.1.1

Construction Schedules, Contractor's

1.4.1.2, 3.10, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

Contingent Assignment of Subcontracts

5.4, 14.2.2.2

Continuing Contract Performance

4.3.3

Contract, Definition of

1.1.2

CONTRACT, TERMINATION OR SUSPENSION OF THE

5.4.1.1, 11.4.9, 14

Contract Administration

3.1.3, 4, 9.4, 9.5

Contract Award and Execution, Conditions Relating to

3.7.1, 3.10, 5.2, 6.1, 11.1.3, 11.4.6, 11.5.1

Contract Documents, The

1.1, 1.2

Contract Documents, Copies Furnished and Use of

1.6, 2.2.5, 5.3

Contract Documents, Definition of

1.1.1

Contract Sum

3.8, 4.3.4, 4.3.5, 4.4.5, 5.2.3, 7.2, 7.3, 7.4, 9.1, 9.4.2, 9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.4.1, 14.2.4, 14.3.2

Contract Sum, Definition of

9.1

Contract Time

4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1.3, 7.3, 7.4, 8.1.1, 8.2, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 14.3.2

Contract Time, Definition of

8.1.1

CONTRACTOR

3

Contractor, Definition of

3.1, 6.1.2

Contractor's Construction Schedules

1.4.1.2, 3.10, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

Contractor's Employees

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1,

Contractor's Liability Insurance

11.1

Contractor's Relationship with Separate Contractors and Owner's Forces

3.12.5, 3.14.2, 4.2.4, 6, 11.4.7, 12.1.2, 12.2.4

Contractor's Relationship with Subcontractors

1.2.2, 3.3.2, 3.18.1, 3.18.2, 5, 9.6.2, 9.6.7, 9.10.2, 11.4.1.2, 11.4.7, 11.4.8

Contractor's Relationship with the Architect

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1, 3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2, 4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12, 13.4.2, 13.5

Contractor's Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.8.2

Contractor's Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Contractor's Review of Contract Documents

1.5.2, 3.2, 3.7.3

Contractor's Right to Stop the Work

9.7

Contractor's Right to Terminate the Contract

4.3.10, 14.1

Contractor's Submittals

3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2, 9.3, 9.8.2, 9.8.3, 9.9.1, 9.10.2, 9.10.3, 11.1.3, 11.5.2

Contractor's Superintendent

3.9, 10.2.6

Contractor's Supervision and Construction Procedures

1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 7.3.6, 8.2, 10, 12, 14

Contractual Liability Insurance

11.1.1.8, 11.2, 11.3

Coordination and Correlation

1.2, 1.5.2, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1

Copies Furnished of Drawings and Specifications

1.6, 2.2.5, 3.11

Copyrights

1.6, 3.17

Correction of Work

2.3, 2.4, 3.7.4, 4.2.1, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, 12.2, 13.7.1.3

Correlation and Intent of the Contract Documents

1.2

Cost, Definition of

7.3.6

Costs

2.4, 3.2.3, 3.7.4, 3.8.2, 3.15.2, 4.3, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.6, 7.3.7, 7.3.8, 9.10.2, 10.3.2, 10.5, 11.3, 11.4, 12.1, 12.2.1, 12.2.4, 13.5, 14

Cutting and Patching

6.2.5, 3.14

Damage to Construction of Owner or Separate Contractors

3.14.2, 6.2.4, 9.2.1.5, 10.2.1.2, 10.2.5, 10.6, 11.1, 11.4, 12.2.4

Damage to the Work

3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.6, 11.4, 12.2.4

Damages, Claims for

3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4

Damages for Delay

6.1.1, 8.3.3, 9.5.1.6, 9.7, 10.3.2

Date of Commencement of the Work, Definition of

8.1.2

Date of Substantial Completion, Definition of

8.1.3

Day, Definition of

8.1.4

Decisions of the Architect

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5, 4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

Decisions to Withhold Certification

9.4.1, 9.5, 9.7, 14.1.1.3

Defective or Nonconforming Work, Acceptance, Rejection and Correction of

2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.5.2, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 13.7.1.3

Defective Work, Definition of

3.5.1

Definitions

1.1, 2.1.1, 3.1, 3.5.1, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 4.3.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 7.3.6, 8.1, 9.1, 9.8.1

Delays and Extensions of Time

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1, 7.4.1, 7.5.1, 8.3, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Disputes

4.1.4, 4.3, 4.4, 4.5, 4.6, 6.3, 7.3.8

Documents and Samples at the Site

3.11

Drawings, Definition of

1.1.5

Drawings and Specifications, Use and Ownership of

1.1.1, 1.3, 2.2.5, 3.11, 5.3

Effective Date of Insurance

8.2.2, 11.1.2

Emergencies

4.3.5, 10.6, 14.1.1.2

Employees, Contractor's

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1

Equipment, Labor, Materials and

1.1.3, 1.1.6, 3.4, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Execution and Progress of the Work

1.1.3, 1.2.1, 1.2.2, 2.2.3, 2.2.5, 3.1, 3.3, 3.4, 3.5, 3.7, 3.10, 3.12, 3.14, 4.2.2, 4.2.3, 4.3.3, 6.2.2, 7.1.3, 7.3.4, 8.2, 9.5, 9.9.1, 10.2, 10.3, 12.2, 14.2, 14.3

Extensions of Time

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3, 7.4.1, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Failure of Payment

4.3.6, 9.5.1.3, 9.7, 9.10.2, 14.1.1.3, 14.2.1.2, 13.6

Faulty Work

(See Defective or Nonconforming Work)

Final Completion and Final Payment

4.2.1, 4.2.9, 4.3.2, 9.8.2, 9.10, 11.1.2, 11.1.3, 11.4.1, 11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3

Financial Arrangements, Owner's

2.2.1, 13.2.2, 14.1.1.5

Fire and Extended Coverage Insurance

11.4

GENERAL PROVISIONS

1

Governing Law

13.1

Guarantees (See Warranty)

Hazardous Materials

10.2.4, 10.3, 10.5

Identification of Contract Documents

1.5.1

Identification of Subcontractors and Suppliers

5.2.1

Indemnification

3.17, 3.18, 9.10.2, 10.3.3, 10.5, 11.4.1.2, 11.4.7

Information and Services Required of the Owner

2.1.2, 2.2, 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3, 6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3, 11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4

Injury or Damage to Person or Property

4.3.8, 10.2, 10.6

Inspections

3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.2, 9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.5

Instructions to Bidders

1.1.1

Instructions to the Contractor

3.2.3, 3.3.1, 3.8.1, 4.2.8, 5.2.1, 7, 12, 8.2.2, 13.5.2

Insurance

3.18.1, 6.1.1, 7.3.6, 8.2.1, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 9.10.5, 11

Insurance, Boiler and Machinery

11.4.2

Insurance, Contractor's Liability

11.1

Insurance, Effective Date of

8.2.2, 11.1.2

Insurance, Loss of Use

11.4.3

Insurance, Owner's Liability

11.2

Insurance, Project Management Protective Liability

11.3

Insurance, Property

10.2.5, 11.4

Insurance, Stored Materials

9.3.2, 11.4.1.4

INSURANCE AND BONDS

11

Insurance Companies, Consent to Partial Occupancy

9.9.1, 11.4.1.5

Insurance Companies, Settlement with

11.4.10

Intent of the Contract Documents

1.2.1, 4.2.7, 4.2.12, 4.2.13, 7.4

Interest

13.6

Interpretation

1.2.3, 1.4, 4.1.1, 4.3.1, 5.1, 6.1.2, 8.1.4

Interpretations, Written

4.2.11, 4.2.12, 4.3.6

Joinder and Consolidation of Claims Required

4.6.4

Judgment on Final Award

4.6.6

Labor and Materials, Equipment

1.1.3, 1.1.6, 3.4, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2,

10.2.1, 10.2.4, 14.2.1.2

Labor Disputes

8.3.1

Laws and Regulations

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6, 9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14

Liens

2.1.2, 4.4.8, 8.2.2, 9.3.3, 9.10

Limitation on Consolidation or Joinder

4.6.4

Limitations, Statutes of

4.6.3, 12.2.6, 13.7

Limitations of Liability

2.3, 3.2.1, 3.5.1, 3.7.3, 3.12.8, 3.12.10, 3.17, 3.18, 4.2.6, 4.2.7, 4.2.12, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.10.4, 10.3.3,

10.2.5, 11.1.2, 11.2.1, 11.4.7, 12.2.5, 13.4.2

Limitations of Time

2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.7, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2,

9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5, 13.7, 14

Loss of Use Insurance

11.4.3

Material Suppliers

1.6, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.6, 9.10.5

Materials, Hazardous

10.2.4, 10.3, 10.5

Materials, Labor, Equipment and

1.1.3, 1.1.6, 1.6.1, 3.4, 3.5.1, 3.8.2, 3.8.23, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3,

9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Means, Methods, Techniques, Sequences and Procedures of Construction

3.3.1, 3.12.10, 4.2.2, 4.2.7, 9.4.2

Mechanic's Lien

4.4.8

Mediation

4.4.1, 4.4.5, 4.4.6, 4.4.8, 4.5, 4.6.1, 4.6.2, 8.3.1, 10.5

Minor Changes in the Work

1.1.1, 3.12.8, 4.2.8, 4.3.6, 7.1, 7.4

MISCELLANEOUS PROVISIONS

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13

Modifications, Definition of

1.1.1

Modifications to the Contract

1.1.1, 1.1.2, 3.7.3, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1, 9.7, 10.3.2, 11.4.1

Mutual Responsibility

6.2

Nonconforming Work, Acceptance of

9.6.6, 9.9.3, 12.3

Nonconforming Work, Rejection and Correction of

2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 13.7.1.3

Notice

2.2.1, 2.3, 2.4, 3.2.3, 3.3.1, 3.7.2, 3.7.4, 3.12.9, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 11.1.3, 11.4.6, 12.2.2, 12.2.4, 13.3, 13.5.1, 13.5.2, 14.1, 14.2

Notice, Written

2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6, 12.2.2, 12.2.4, 13.3, 14

Notice of Testing and Inspections

13.5.1, 13.5.2

Notice to Proceed

8.2.2

Notices, Permits, Fees and

2.2.2, 3.7, 3.13, 7.3.6.4, 10.2.2

Observations, Contractor's

1.5.2, 3.2, 3.7.3, 4.3.4

Occupancy

2.2.2, 9.6.6, 9.8, 11.4.1.5

Orders, Written

1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2, 13.5.2, 14.3.1

OWNER

2

Owner, Definition of

2.1

Owner, Information and Services Required of the

2.1.2, 2.2, 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3, 6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3, 11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4

Owner's Authority

1.6, 2.1.1, 2.3, 2.4, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2, 4.1.3, 4.2.4, 4.2.9, 4.3.6, 4.4.7, 5.2.1, 5.2.4, 5.4.1, 6.1, 6.3, 7.2.1, 7.3.1, 8.2.2, 8.3.1, 9.3.1, 9.3.2, 9.5.1, 9.9.1, 9.10.2, 10.3.2, 11.1.3, 11.3.1, 11.4.3, 11.4.10, 12.2.2, 12.3.1, 13.2.2, 14.3, 14.4

Owner's Financial Capability

2.2.1, 13.2.2, 14.1.1.5

Owner's Liability Insurance

11.2

Owner's Loss of Use Insurance

11.4.3

Owner's Relationship with Subcontractors

1.1.2, 5.2, 5.3, 5.4, 9.6.4, 9.10.2, 14.2.2

Owner's Right to Carry Out the Work

2.4, 12.2.4, 14.2.2.2

Owner's Right to Clean Up

6.3

Owner's Right to Perform Construction and to Award Separate Contracts

6.1

Owner's Right to Stop the Work

2.3

Owner's Right to Suspend the Work

14.3
Owner's Right to Terminate the Contract
14.2
Ownership and Use of Drawings, Specifications and Other Instruments of Service
1.1.1, 1.6, 2.2.5, 3.2.1, 3.11.1, 3.17.1, 4.2.12, 5.3
Partial Occupancy or Use
9.6.6, 9.9, 11.4.1.5
Patching, Cutting and
3.14, 6.2.5
Patents
3.17
Payment, Applications for
4.2.5, 7.3.8, 9.2, 9.3, 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5, 9.10.1, 9.10.3, 9.10.5, 11.1.3, 14.2.4, 14.4.3
Payment, Certificates for
4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1, 9.10.3, 13.7, 14.1.1.3, 14.2.4
Payment, Failure of
4.3.6, 9.5.1.3, 9.7, 9.10.2, 14.1.1.3, 14.2.1.2, 13.6
Payment, Final
4.2.1, 4.2.9, 4.3.2, 9.8.2, 9.10, 11.1.2, 11.1.3, 11.4.1, 11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3
Payment Bond, Performance Bond and
7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5
Payments, Progress
4.3.3, 9.3, 9.6, 9.8.5, 9.10.3, 13.6, 14.2.3

PAYMENTS AND COMPLETION

9

Payments to Subcontractors
5.4.2, 9.5.1.3, 9.6.2, 9.6.3, 9.6.4, 9.6.7, 11.4.8, 14.2.1.2
PCB

10.3.1

Performance Bond and Payment Bond
7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5

Permits, Fees and Notices
2.2.2, 3.7, 3.13, 7.3.6.4, 10.2.2

PERSONS AND PROPERTY, PROTECTION OF
10

Polychlorinated Biphenyl
10.3.1

Product Data, Definition of
3.12.2

Product Data and Samples, Shop Drawings
3.11, 3.12, 4.2.7

Progress and Completion
4.2.2, 4.3.3, 8.2, 9.8, 9.9.1, 14.1.4

Progress Payments
4.3.3, 9.3, 9.6, 9.8.5, 9.10.3, 13.6, 14.2.3

Project, Definition of the
1.1.4

Project Management Protective Liability Insurance
11.3

Project Manual, Definition of the
1.1.7

Project Manuals
2.2.5

Project Representatives
4.2.10

Property Insurance

10.2.5, 11.4

PROTECTION OF PERSONS AND PROPERTY

10

Regulations and Laws

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6, 9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14

Rejection of Work

3.5.1, 4.2.6, 12.2.1

Releases and Waivers of Liens

9.10.2

Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.8.2, 9.10.1

Representatives

2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.1, 4.2.10, 5.1.1, 5.1.2, 13.2.1

Resolution of Claims and Disputes

4.4, 4.5, 4.6

Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Retainage

9.3.1, 9.6.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3

Review of Contract Documents and Field Conditions by Contractor

1.5.2, 3.2, 3.7.3, 3.12.7, 6.1.3

Review of Contractor's Submittals by Owner and Architect

3.10.1, 3.10.2, 3.11, 3.12, 4.2, 5.2, 6.1.3, 9.2, 9.8.2

Review of Shop Drawings, Product Data and Samples by Contractor

3.12

Rights and Remedies

1.1.2, 2.3, 2.4, 3.5.1, 3.15.2, 4.2.6, 4.3.4, 4.5, 4.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.2, 12.2.4, 13.4, 14

Royalties, Patents and Copyrights

3.17

Rules and Notices for Arbitration

4.6.2

Safety of Persons and Property

10.2, 10.6

Safety Precautions and Programs

3.3.1, 4.2.2, 4.2.7, 5.3.1, 10.1, 10.2, 10.6

Samples, Definition of

3.12.3

Samples, Shop Drawings, Product Data and

3.11, 3.12, 4.2.7

Samples at the Site, Documents and

3.11

Schedule of Values

9.2, 9.3.1

Schedules,

1.4.1.2, 3.10, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

Separate Contracts and Contractors

1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 4.6.4, 6, 8.3.1, 11.4.7, 12.1.2, 12.2.5

Shop Drawings, Definition of

3.12.1

Shop Drawings, Product Data and Samples

3.11, 3.12, 4.2.7

Site, Use of

3.13, 6.1.1, 6.2.1

Site Inspections

1.2.2, 3.2.1, 3.3.3, 3.7.1, 4.2, 4.3.4, 9.4.2, 9.10.1, 13.5

Site Visits, Architect's

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.5
Special Inspections and Testing
4.2.6, 12.2.1, 13.5
Specifications, Definition of the
1.1.6
Specifications, The
1.1.1, 1.1.6, 1.1.7, 1.2.2, 1.6, 3.11, 3.12.10, 3.17
Statute of Limitations
4.6.3, 12.2.6, 13.7
Stopping the Work
2.3, 4.3.6, 9.7, 10.3, 14.1
Stored Materials
6.2.1, 9.3.2, 10.2.1.2, 10.2.4, 11.4.1.4
Subcontractor, Definition of
5.1.1
SUBCONTRACTORS
5
Subcontractors, Work by
1.2.2, 3.3.2, 3.12.1, 4.2.3, 5.2.3, 5.3, 5.4, 9.3.1.2, 9.6.7
Subcontractual Relations
5.3, 5.4, 9.3.1.2, 9.6, 9.10 10.2.1, 11.4.7, 11.4.8, 14.1, 14.2.1, 14.3.2
Submittals
1.6, 3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3, 11.1.3
Subrogation, Waivers of
6.1.1, 11.4.5, 11.4.7
Substantial Completion
4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 9.10.4.2, 12.2, 13.7
Substantial Completion, Definition of
9.8.1
Substitution of Subcontractors
5.2.3, 5.2.4
Substitution of Architect
4.1.3
Substitutions of Materials
3.4.2, 3.5.1, 7.3.7
Sub-subcontractor, Definition of
5.1.2
Subsurface Conditions
4.3.4
Successors and Assigns
13.2
Superintendent
3.9, 10.2.6
Supervision and Construction Procedures
1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3, 6.2.4, 7.1.3, 7.3.6, 8.2, 8.3.1, 9.4.2, 10, 12, 14
Surety
4.4.7, 5.4.1.2, 9.8.5, 9.10.2, 9.10.3, 14.2.2
Surety, Consent of
9.10.2, 9.10.3
Surveys
2.2.3
Suspension by the Owner for Convenience
14.4
Suspension of the Work
5.4.2, 14.3
Suspension or Termination of the Contract
4.3.6, 5.4.1.1, 11.4.9, 14

Taxes

3.6, 3.8.2.1, 7.3.6.4

Termination by the Contractor

4.3.10, 14.1

Termination by the Owner for Cause

4.3.10, 5.4.1.1, 14.2

Termination of the Architect

4.1.3

Termination of the Contractor

14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT

14

Tests and Inspections

3.1.3, 3.3.3, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 11.4.1.1, 12.2.1, 13.5

TIME

8

Time, Delays and Extensions of

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1, 7.4.1, 7.5.1, 8.3, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Time Limits

2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1, 4.2, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5, 13.7, 14

Time Limits on Claims

4.3.2, 4.3.4, 4.3.8, 4.4, 4.5, 4.6

Title to Work

9.3.2, 9.3.3

UNCOVERING AND CORRECTION OF WORK

12

Uncovering of Work

12.1

Unforeseen Conditions

4.3.4, 8.3.1, 10.3

Unit Prices

4.3.9, 7.3.3.2

Use of Documents

1.1.1, 1.6, 2.2.5, 3.12.6, 5.3

Use of Site

3.13, 6.1.1, 6.2.1

Values, Schedule of

9.2, 9.3.1

Waiver of Claims by the Architect

13.4.2

Waiver of Claims by the Contractor

4.3.10, 9.10.5, 11.4.7, 13.4.2

Waiver of Claims by the Owner

4.3.10, 9.9.3, 9.10.3, 9.10.4, 11.4.3, 11.4.5, 11.4.7, 12.2.2.1, 13.4.2, 14.2.4

Waiver of Consequential Damages

4.3.10, 14.2.4

Waiver of Liens

9.10.2, 9.10.4

Waivers of Subrogation

6.1.1, 11.4.5, 11.4.7

Warranty

3.5, 4.2.9, 4.3.5.3, 9.3.3, 9.8.4, 9.9.1, 9.10.4, 12.2.2, 13.7.1.3

Weather Delays

4.3.7.2

Work, Definition of

1.1.3

Written Consent

1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2

Written Interpretations

4.2.11, 4.2.12, 4.3.6

Written Notice

2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6, 12.2.2, 12.2.4, 13.3, 14

Written Orders

1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2, 13.5.2, 14.3.1

ARTICLE 1 - GENERAL PROVISIONS

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of the Agreement between Owner and Contractor (~~hereinafter the Agreement~~), (the "Agreement"), Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include other documents such as bidding requirements (advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or portions of Addenda relating to bidding requirements).

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or Sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner or by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 THE PROJECT MANUAL

The Project Manual is a volume assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

§ 1.1.8 SEPARATE CONTRACTOR

Contractor acknowledges that contemporaneously with its performance of the Work under this Agreement, Owner will engage a separate contractor, under a separate agreement with Owner, to construct site improvements on the site that surrounds the Work that is the subject of this Agreement. Contractor agrees to coordinate the Work under this Agreement with such separate contractor's work, and agrees to cooperate with such separate contractor throughout the term of this Agreement. Owner shall impose an identical duty of coordination and cooperation on such separate contractor in its agreement with Owner.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent

consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.2.4 If any provision of the Contract Documents conflicts with or is inconsistent with any other, the documents shall govern in the following order, the Agreement, Supplemental Conditions, A201 General Conditions, Specifications and Drawings, large scale drawings take precedence over smaller scaled drawings, figured dimensions and noted materials over graphic representations. Further, where conflict exists between the Contract Documents and applicable standards, Code or Ordinances, the more stringent or higher quality requirements shall apply.

§ 1.2.5 The Specifications are of the abbreviated type and may include incomplete sentences. Omissions of phrases such as "The Contractor shall" or "complying with the requirements of" are intentional. Omitted words or phrases shall be supplied by inference in the same manner as they are when a "note" occurs on the Drawings. Words in the singular shall include the plural wherever applicable, or the context so indicates.

§ 1.3 CAPITALIZATION

§ 1.3.1 Terms capitalized in these General Conditions include those which are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

§ 1.4.1 In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.4.2 The fact that language may have been omitted, deleted or modified, and that prior language remaining apparent on this document because of the use of the AIA software which requires such changes be apparent, is not intended to imply or create an inference of any intention and shall not be used to ascribe any meaning or intent.

§ 1.5 EXECUTION OF CONTRACT DOCUMENTS

§ 1.5.1 The Contract Documents shall be signed by the Owner and Contractor. If either the Owner or Contractor or both do not sign all the Contract Documents, the Architect shall identify such unsigned Documents upon request.

§ 1.5.2 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 1.6 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.6.1 The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service through which the Work to be executed by the Contractor is described. The Contractor may retain one record set. Neither the Contractor nor any Subcontractor, Sub-subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect or the Architect's consultants, and unless otherwise indicated the Architect and the Architect's consultants shall be deemed the authors of them and will retain all common law, statutory and other reserved rights, in addition to the copyrights. All copies of Instruments of Service, except the Contractor's record set, shall be returned or suitably accounted for promptly to the Owner or Architect, on request, upon completion of the Work, or at such earlier time if Owner or Architect so requests. The Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, Sub-subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the

Architect's consultants. The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' copyrights or other reserved rights.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 The Owner shall, at the written request of the Contractor, prior to commencement of the Work and thereafter, furnish to the Contractor reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Contract. Furnishing of such evidence shall be a condition precedent to commencement or continuation of the Work. After such evidence has been furnished, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees, including those required under Section 3.7.1, which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations (of which Owner has actual knowledge) for the site of the Project, and a legal description of the site. The Contractor shall be entitled to reasonably rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 Information or services required of the Owner by the Contract Documents shall be furnished by the Owner with reasonable promptness. Any other information or services relevant to the Contractor's performance of the Work under the Owner's control shall be furnished by the Owner after receipt from the Contractor of a written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Contractor will be furnished, free of charge, such copies of Drawings and Project Manuals as are reasonably necessary for execution of the Work.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

§ 2.3.1 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or persistently fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3. If the Owner orders the Contractor to stop the Work as herein provided, then the Owner shall not be responsible for any increase in the cost of the Work resulting from, arising out of, or in connection with such stoppage, any such increase being borne by the Contractor.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

§ 2.4.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period give the Contractor a second written notice to correct such deficiencies within a three-day period. If the Contractor within such three-day period after receipt of such second notice fails to commence and continue to correct any deficiencies, the Owner may, upon notice to the bonding company, if any, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including deficiencies which costs shall include (i) Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure and (ii) any costs of repairing damage done to the Project as a result of the deficient work. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Owner incurs such expenses after the Contractor has received its final payment due under the Contract Documents, then Contractor shall pay Owner directly for such expenses within fourteen (14) days of demand for payment by Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents. Contractor shall, upon Owner's request, familiarize itself with all of the requirements imposed by the City of Chicago ("City") upon the Owner with respect to the Work ("City Requirements"). In connection with such requirements, Contractor shall execute, deliver, and (if appropriate) acknowledge any and all instruments, certificates, agreements, and documents, reasonably requested by Owner or the City, at law or otherwise, to the lieus, benefits, rights and privileges of both of them, provided that such instruments, certificates, agreements, and documents do not otherwise alter the rights and obligations of Contractor under the Contract Documents. Contractor agrees to execute and deliver to the Owner and the City, upon request, a certificate describing the Agreement, stating that same is in full force and effect with no defaults or events or conditions which, with the giving of notice or lapse of time, or both, would constitute a default and containing such additional information and agreements customarily requested by the Owner and the City or reasonably requested by Owner.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

§ 3.1.4 The Contractor represents and warrants the following to Owner (in addition to the other representations and warranties contained in the Contract Documents), as an inducement to Owner to execute the Agreement, which representations and warranties shall survive the execution and delivery of this Agreement and the final completion of the Work:

§ 3.1.4.1 The Contractor is financially solvent, able to pay its debts as they mature and possessed of sufficient working capital to complete the Work and perform the obligations hereunder.

§ 3.1.4.2 The Contractor is able to furnish the plant, tools materials, supplies, equipment and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;

§ 3.1.4.3 The Contractor is authorized to do business in the State where the Project is located and properly licensed by all necessary governmental and public authorities having jurisdiction over it and the Work and the site of the Project;

§ 3.1.4.4 The Contractor's execution of this Agreement and its performance thereof is within its duly authorized powers; and

§ 3.1.4.5 The Contractor's duly authorized representative has visited the site of the Work, familiarized himself or herself with the local conditions under which the Work is to be performed, including but not limited to those bearing on transportation, disposal, handling and storage of materials, security, availability of labor, water, electric power, roads and the character of equipment and facilities needed prior to and during the prosecution of the Work, and correlated his or her observations with the requirements of the Contract Documents.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Since the Contract Documents are complementary, before starting each portion of the Work, the Contractor shall carefully study and compare the various Drawings and Specifications and other Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section-Subparagraph 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for activities shall be done as part of Contractor's obligation to coordinate the purpose of facilitating construction by field conditions with the Contractor and Contract Documents but are not done for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, any errors, inconsistencies or omissions and any discrepancy between the Drawings and Specifications discovered or which should have been discovered in the exercise of ordinary care by the Contractor shall be reported promptly to the Architect and Owner as a request for information ("RFI") in such form as the Architect may require. The Owner, with the assistance of the Architect, shall resolve promptly and in writing discrepancies between the Drawings and Specifications. If the Contractor fails to issue an RFI on a discrepancy between the Drawings and Specifications which it knew or reasonably should have known about, any corrective work required because of such failure shall be done at Contractor's sole expense.

§ 3.2.2 Any design errors or omissions noted by the Contractor during this review shall be reported promptly to the Architect, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents. The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations, but any nonconformity discovered by or made known to the Contractor shall be reported promptly to the Architect.

§ 3.2.3 If the Contractor believes that additional cost or time is involved because of clarifications or instructions issued by the Architect in response to the Contractor's notices or requests for information pursuant to Sections 3.2.1 and 3.2.2, the Contractor shall make Claims as provided in Sections 4.3.6 and 4.3.7. If the Contractor fails to perform the obligations of Sections 3.2.1 and 3.2.2, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. The Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents or for differences between field measurements or conditions and the Contract Documents unless the Contractor recognized such error, inconsistency, omission or difference and knowingly failed to report it to the Architect.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and the effect on any warranties required by the Contract Documents and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, or may impact the warranties required by the Contract Documents to the detriment of the Owner, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any resulting loss or damage.

§ 3.3.2 The Contractor shall be responsible to the Owner for (i) acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and any other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors and (ii) damages, losses, costs and expenses resulting from such acts or omissions. Nothing in this Section 3.3.2 shall be deemed to relieve any subcontractor from its

Subcontracters responsibilities for the safety of its portions of the Work or for errors or omissions in the performance of their work.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, ~~transportation, transportation and maintenance of all such materials, equipment and tools~~, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 ~~The Contractor~~ Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Contractor and any Subcontractors shall be required to conform to labor laws of the United States of America, the State of Illinois, the City of Chicago and various acts amendatory and supplementary thereto, and to other laws, ordinances and legal requirements applicable thereto.

§ 3.4.4 The Contractor shall pay unemployment and social security taxes or other taxes imposed by Local, City, State or Federal government for Contractor's employees.

§ 3.5 WARRANTY

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new and of recent manufacture unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect which Contractor can demonstrate was caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment included in the Work. This Warranty will not be affected by the specification of any product or procedure in the Contract Documents, unless the Contractor objects with reasonable promptness to such product or procedure and equipment advises the Architect of reasonable possible substitute products or procedures that will not affect this warranty. Except for Work accepted by the Owner under Section 9.9, all of the Contractor's warranties shall begin on the date of completion of the Work in accordance with the Agreement and shall remain in effect for one year thereafter. For Work accepted by Owner prior to final completion as permitted in Section 9.9 the Contractor's warranties for such Work shall begin upon the City's issuance to Owner of permission to occupy the partially completed building and shall remain in place for one year thereafter. Any special warranties beyond this one year period shall be either provided by manufacturers directly to the Owner on the manufacturer's standard forms or shall be assigned by the Contractor to the Owner. These requirements shall take precedence over any other provision in the Agreement relating to the Contractor's warranty.

§ 3.5.2 If any vendor requires as a condition of its warranty any special training of the Owner's staff, the Contractor shall notify the Owner in writing of such requirements at least six (6) months prior to the date of Substantial Completion.

§ 3.5.3 If the commissioning of any equipment occurs during a season during which such equipment would not normally be in operation to the extent possible, then the Contractor will cause the equipment warranty to be extended to a period commencing when such equipment is placed into normal operation.

§ 3.5.4 The Contractor shall assign to the Owner any special warranties provided by any Subcontractor or vendor, provided that such warranties shall not limit the Owner's remedies from Contractor, unless expressly provided in the Contract Documents.

§3.5.5 At the completion of the Work, all written guarantees and written warranties received by the Contractor covering material, workmanship, maintenance, etc., shall be forwarded to the Owner, stating: (i) character of work; (ii) name of Subcontractor or supplier; (iii) period of guarantee or warranty; and (iv) condition of guarantee or warranty.

§3.5.6 Remedial Work: Defective materials, equipment or workmanship occurring within the Warranty period may be repaired where such repair produces results conforming to Contract requirements relating to appearance, performance and reliability. Where the nature of the defective materials, equipment or workmanship is such that acceptable results cannot be obtained by repair, such defective items shall be removed and replaced with new materials, equipment or workmanship complying with Contract requirements. All remedial work shall be subject to the Architect's approval.

§ 3.6 TAXES

~~§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor which are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.~~

§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor which are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES AND NOTICES

~~§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and the Owner shall pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract and which are legally required when bids are received or negotiations concluded.~~

§ 3.7.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work. Contractor shall provide Owner with timely and sufficient notice of any excavations required by the Work in order to permit Owner to comply with Chicago Municipal Code Section 13-124-390 requiring notifications to adjacent or nearby property owners of excavations required by the Work. Should Contractor fail to provide notice to the Owner or the Contractor's notice was incomplete or untimely so as to cause the Owner, directly or indirectly, to violate its statutory/regulatory notice requirements, then Contractor shall defend, indemnify and hold harmless Owner for any and all fines/penalties imposed upon or assessed against Owner due to its violations of said requirements. In addition, the Contractor shall provide all lateral and subjacent support necessary to prevent any damage to adjacent or nearby property owners and Contractor's Schedule of Values shall include an allowance of \$130,000 for such work. Contractor shall be solely responsible to pay for all damages incurred by reason of such excavations. If entry or encroachment upon adjoining property or public rights of way is necessary to perform the Work or provide lateral and subjacent support, then the Owner shall obtain necessary permissions, permits or licenses and pay all costs and fees therefore. Contractor shall cooperate with Owner to assist it in acquiring any such access, permission, permits or licenses to complete the Work. Nothing in this subparagraph 3.7.2 shall be construed to negate or reduce the Contractor's duties pursuant to Sections 13-124-380-450 of the Chicago Municipal Code.

§ 3.7.3 It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, if the Contractor observes that portions of the Contract Documents are at variance therewith, the Contractor shall promptly notify the Architect and Owner in writing, and necessary changes shall be accomplished by appropriate Modification.

§ 3.7.4 If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Architect and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents:

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances;
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 ~~The Contractor, promptly~~ Within ten (10) days after being awarded the ~~Contract, contract~~ Contractor shall prepare and submit for the Owner's and ~~Architect's information approval~~ a Contractor's construction schedule for the Work ("Construction Schedule"). Contractor shall use the Work-critical path method of scheduling. The schedule-Construction Schedule shall not exceed time limits current under the Contract Documents, Documents and shall contain Substantial and Final Completion Dates identified in this Agreement, or otherwise by Owner. Contractor, shall ~~be revised-revise the Contract Schedule~~ at appropriate intervals as required by the conditions of the Work and Project, ~~but in no event shall be related-Contractor update the Construction Schedule less than once per month.~~ The Construction Schedule shall, relate to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The Construction Schedule shall contain an allowance of ten (10) lost working days to be used against any delay caused by Unusually Severe Weather (as defined in Paragraph 4.3.7.2). If the Contractor completely uses its ten (10) day allowance, then all claims for extension of time due to Unusually Severe Weather shall be made in accordance with the provisions of Paragraphs 4.3.7- "Claims for Additional Time" and 8.3- "Delays and Extensions of Time."

§ 3.10.2 The Contractor shall prepare and keep current, for the Architect's approval, a schedule of submittals which is coordinated with the Contractor's construction schedule and allows the Architect reasonable time to review submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

§ 3.11.1 The Contractor shall maintain at the site for the Owner one record copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to record field changes and selections made during construction, and one record copy of approved Shop Drawings, Product Data, ~~Samples~~ Samples, sketches and similar required submittals. All of these are the "Record Drawings." These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work or termination. Contractor shall record all substantial changes or deviations from the Work-Contract Documents on reproducible medium. Record Drawings shall be delivered to Architect as a condition of final payment.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Contract Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals which are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals which are not marked as reviewed for compliance with the Contract Documents and approved by the Contractor may be returned by the Architect without action.

§ 3.12.6 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design the appropriate criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will

review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

§ 3.13 USE OF SITE

§ 3.13.1 The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

~~§ 3.13.2 Contractor shall confine operations at the Site to areas permitted by applicable permits and the Contract Documents and shall not unreasonably encumber the Site with any materials or equipment. Any storage of materials and equipment shall, at all times, be performed in a manner which limits any nuisance affecting health.~~

~~§ 3.13.3 Utility Expenses. Notwithstanding anything in the Agreement to the contrary, the Contractor shall be responsible for all utility expenses related to the performance of the Work and shall promptly pay all such bills as they become due upon invoice by Owner until Completion has been reached in accordance with the Agreement.~~

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. ~~At In addition to the foregoing, upon the Owner's reasonable request during construction and completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials.~~

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

§ 3.16 ACCESS TO WORK

~~§ 3.16.1 The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.~~

~~§ 3.16.1 At all times, the Contractor shall permit the Owner, Owner's Representative, Owner's Lender and the City to have access to the Work for observation, review and analysis thereof, but the Owner, Owner's Representatives, Owners Lender, and the City shall not be obligated to perform such observation, review and analysis for the benefit of the Contractor. No observation, review and analysis failed to be performed by the Owner, Owner's Representative, Owner's Lender, and the City shall be a waiver of any of the Contractor's obligations under the Agreement, or be construed as an acceptance or approval of the Work for any part thereof.~~

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

§ 3.17.1 The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Section 11.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.18.1 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the Owner, Owner's lenders, Owner's Representatives, the Architect, their respective agents, consultants and employees and those persons also described as Additional Insureds in Exhibit C attached to the Agreement from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from or in connection with the performance of the Work, and that any such claim, damage, loss or expense (these are collectively referred to as "claims") is caused in whole or in part by any negligent act or omission of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, and provided such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (other than the Work itself). Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity or contribution which would otherwise exist as to any party or person described in the Contract Documents. Nothing herein shall allow a party to be indemnified against its own negligence if such indemnification is prohibited by the law of the State that applies to this Agreement. This indemnification agreement shall survive termination of this Agreement and the completion of the Work.

§ 3.18.2 Claims shall be construed to include, but not be limited to (i) injury or damage consequent upon the failure of or use or misuse by Contractor, its Subcontractors, agents, servants or employees, of any hoist, rigging, blocking, scaffolding, or any and all kinds of items of equipment; (ii) all attorneys' fees and costs incurred in defense of the claim or in bringing an action to enforce the provision of this indemnity or any other indemnity contained in the Contract Documents; and (iii) all costs and expenses incurred by the party being indemnified or its employees, agents or consultants.

§ 3.18.3 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.19 INDEMNITY FOR LIENS

§ 3.19.1 Provided progress payments are timely made, the Contactor agrees to keep the Owner's title to real property free and clear of liens, lien claims or stop work notices. The Contractor agrees to indemnify, defend and hold the Owner harmless from all liens, lien claims and stop work notices recorded, asserted or filed on the Work or on any property on which it is being performed, on account of any labor performed or materials furnished by the Contractor or its Subcontractors or suppliers in connection with the Work. The Contractor's obligation hereunder includes paying for any attorneys' fees and court and other costs incurred by the Owner in connection with such liens and lien claims.

§ 3.19.2 Should any such lien, lien claim or stop notice be asserted, whether due to nonpayment of the claimant or otherwise, and whether contested or not, the Owner may at its sole discretion and without limiting or waiving any

rights or remedies of any other interested person, take any or all of the following actions: (i) pay the amount of such lien, lien claim or stop notice either directly to the claimant or by issuance of joint payment to the Contractor and the claimant; (ii) retain from any payments then due or which thereafter become due to the Contractor, whether under the Agreement or otherwise, an amount sufficient to discharge the claimed amount and to hold the Owner harmless from any cost, expense, loss, or damage incurred in connection with the lien, lien claim or stop notice, including reasonable attorneys' fees; and (iii) require the Contractor to execute a title indemnity agreement acceptable to the Owner or record a properly executed bond (provided by a surety acceptable to the Owner) in the minimum amount of one and one-half (1-1/2) times the amount of the recorded lien, lien claim or stop notice, or such other greater amount as may be required by Owner, applicable law, or lender. This obligation shall survive termination of the Agreement or final completion or any component thereof. Further, the Owner may withhold payment from, or nullify any certificate for payment previously issued to the Contractor to the extent necessary to protect the Owner from loss due to the following: (a) claims filed; (b) reasonable evidence indicating probable filing of claims; (c) failure of Contractor to make payments properly to Subcontractors for material or labor; or (d) any substantial doubt that the Project can be completed for the balance then unpaid.

§ 3.20 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents for Owner's advances, such payment shall be made promptly upon demand by Owner. In the event such payment is not made, however, Owner shall have the option to either (i) deduct an equal amount from any payment then or thereafter due Contractor; or (ii) issue a Change Order reducing the Contract Sum by an equal amount.

ARTICLE 4 ADMINISTRATION OF THE CONTRACT

§ 4.1 ARCHITECT

§ 4.1.1 The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a new Architect against whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the former Architect.

§ 4.2 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents, and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Section 12.2. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified in writing in accordance with other provisions of the Contract.

§ 4.2.2 The Architect, as a representative of the Owner, will visit the site at intervals appropriate to the stage of the Contractor's operations (or as reasonably required by Owner) (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications Facilitating Contract Administration. Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of its obligations under the Contract Documents including, without limitation, Contractor's obligations under Sections-Paragraphs 3.3, 3.5 and 3.12-3.12 hereof. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval-review of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect (or, at Owner's request, the Contractor) will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If no agreement is made concerning the time within which interpretations required of the Architect shall be furnished in compliance with this Section 4.2, then delay shall not be recognized on account of failure by the Architect to furnish such interpretations until 15 days after written request is made for them.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and initial decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions so rendered in good faith.

~~§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.~~

§ 4.3 CLAIMS AND DISPUTES

§ 4.3.1 Definition. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract prior to the ~~Contract~~ time final payment is made. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 4.3.2 Time Limits on Claims. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the Architect and the other party.

§ 4.3.3 Continuing Contract Performance. Pending final resolution of a Claim except as otherwise agreed in writing or as provided in Section 9.7.1 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 4.3.4 Claims for Concealed or Unknown Conditions. If conditions are encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if they differ materially and based on an analysis of the critical path of the approved current Construction Schedule are likely to cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall so notify the Owner and Contractor in writing, stating the reasons. Claims by either party in opposition to such determination must be made within ~~21~~ 10 days after the Architect has given notice of the decision. If the conditions encountered are materially different, the Contract Sum and Contract Time shall be equitably adjusted, but if the Owner and Contractor cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment shall be referred to the Architect for initial determination, subject to further proceedings pursuant to Section 4.4.

§ 4.3.5 Claims for Additional Cost. If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given to the Owner and Architect before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.6.

§ 4.3.6 If the Contractor believes additional cost is involved for reasons including but not limited to (1) a written interpretation from the Architect, (2) an order by the Owner to stop the Work where the Contractor was not at fault, (3) a written order for a minor change in the Work issued by the Architect, (4) failure of payment by the Owner, (5) termination of the Contract by the Owner, (6) Owner's suspension or (7) other reasonable grounds, Claim shall be filed in accordance with this Section 4.3.

§ 4.3.7 Claims for Additional Time

§ 4.3.7.1 If the Contractor wishes to make Claim for an increase in the Contract Time, written notice as provided herein shall be ~~given to the Owner and Architect~~. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay only one Claim is necessary. Requests for an extension of the Contract Time shall be governed by Section 8.3 hereof.

§ 4.3.7.2 ~~If adverse weather conditions are Unusually Severe Weather is~~ the basis for a Claim for additional time, then such Claim shall be documented by data substantiating that weather conditions were abnormal United States Weather Service Statistics for the general time period of time, the Construction Schedule and the same general time period over the preceding five (5) years for the place where the Project is located. Unusually Severe Weather shall mean severe weather that at the general time it occurred was unusual for the place in which it occurred; and could

not have been reasonably anticipated and had an adverse effect on the scheduled construction. Contractor must substantiate all claims for extension of time due to Unusually Severe Weather by demonstrating its impact on the critical path of the Construction Schedule.

§ 4.3.8 Injury or Damage to Person or Property. If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 4.3.9 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 4.3.10 Claims for Consequential Damages. The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. ~~This mutual waiver includes:~~

EXCEPT FOR THE FOLLOWING:

- .1 ~~damages incurred by the Owner for rental expenses, consequential damages that are covered by the insurance the Contractor must provide for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the Project in accordance with the services terms of such persons; and this Agreement~~
- .2 ~~damages incurred by the Contractor that are covered by the insurance Owner must provide for the Project pursuant to the terms of this Agreement for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.~~

~~This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 4.3.10 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.~~

§ 4.4 RESOLUTION OF CLAIMS AND DISPUTES

~~**§ 4.4.1 Decision of Architect.** Claims, including those alleging an error or omission by the Architect but excluding those arising under Sections 10.3 through 10.5, shall be referred initially to the Architect for decision. An initial decision by the Architect shall be required as a condition precedent to mediation, arbitration or litigation of all Claims between the Contractor and Owner arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Architect with no decision having been rendered by the Architect. The Architect will not decide disputes between the Contractor and persons or entities other than the Owner.~~

Decision of Architect. Claims, including those alleging an error or omission by the Architect but excluding those arising under Sections 10.3 through 10.5, shall be referred initially to the Architect for decision. An initial decision by the Architect shall be required as a condition precedent to litigation of all Claims between the Contractor and Owner arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Architect with no decision having been rendered by the Architect. The Architect will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 4.4.2 The Architect will review Claims and within ten days of the receipt of the Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Architect is unable to resolve the Claim if the Architect lacks sufficient information to evaluate the merits of the Claim or if the Architect concludes that, in the Architect's sole discretion, it would be inappropriate for the Architect to resolve the Claim.

§ 4.4.3 In evaluating Claims, the Architect may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Architect in rendering a decision. The Architect may request the Owner to authorize retention of such persons at the Owner's expense.

§ 4.4.4 If the Architect requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either provide a response on the requested supporting data, advise the Architect when the response or supporting data will be furnished or advise the Architect that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Architect will either reject or approve the Claim in whole or in part.

§ 4.4.5 The Architect will approve or reject Claims by written decision, which shall state the reasons therefor and which shall notify the parties of any change in the Contract Sum or Contract Time or both. The approval or rejection of a Claim by the Architect shall be final and binding on the parties but subject to mediation and arbitration to litigation.

§ 4.4.6 ~~When Upon receipt of a written decision of Claim against the Architect states that (1) Contractor or at any time thereafter, the decision Owner may, but is final but subject to mediation not obligated to, notify the surety, if any, of the nature and arbitration and (2) a demand for arbitration amount of a Claim covered by such decision must be made within 30 days after the date on which Claim. If the party making the demand receives the final written decision, then failure Claim relates to demand arbitration within said 30 days' period shall result in a possibility of a Contractor's default, the Architect's decision becoming final and binding upon Architect or the Owner may, but is not obligated to, notify the surety and Contractor. If request the Architect renders a decision after arbitration proceedings have been initiated, such decision may be entered as evidence, but shall not supersede arbitration proceedings unless surety's assistance in resolving the decision is acceptable to all parties concerned controversy.~~

§ 4.4.7 ~~Upon receipt of If a Claim against the Contractor or at any time thereafter, the Architect relates to or the Owner may, but is not obligated to, notify the surety, if any, subject of a mechanic's lien, the nature and amount of the Claim. If the party asserting such Claim relates may proceed in accordance with applicable law to a possibility of a Contractor's default, comply with the Architect lien notice or filing deadlines prior to resolution of the Owner may, but is not obligated to, notify Claim by the surety and request the surety's assistance in resolving the controversy. Architect.~~

§ 4.4.8 ~~If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the Claim by the Architect, by mediation or by arbitration.~~

§ 4.5 MEDIATION

§ 4.5.1 Any Claim arising out of or related to the Contract, except Claims relating to aesthetic effect and except those waived as provided for in Sections 4.3.10, 9.10.4 and 9.10.5 shall, after initial decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.

§ 4.5.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with the American Arbitration Association. ~~The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation Mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.~~

§ 4.5.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 4.6 ARBITRATION

§ 4.6.1 ~~Any Claim arising out of or related to the Contract, except Claims relating to aesthetic effect and except those waived as provided Timely Assertion of Claims. The party filing a notice of demand for arbitration must assert in~~

~~Sections 4.3.10, 9.10.4 and 9.10.5, shall, after decision by the Architect or 30 days after submission of the Claim demand all Claims then known to that party on which arbitration is permitted to the Architect, be subject to arbitration. Prior to arbitration, the parties shall endeavor to resolve disputes by mediation in accordance with the provisions of Section 4.5 demanded.~~

~~§ 4.6.2 Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in effect. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association, and a copy shall be filed with the Architect.~~

~~§ 4.6.3 Claims not resolved. A demand for arbitration shall be made within the mediation or time limits specified in Sections 4.4 decided by arbitration which, unless the parties mutually agree otherwise, shall 6 and 4.6.1 as applicable, and in other cases within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations as determined pursuant to Section 13.7 any court having jurisdiction thereof.~~

~~§ 4.6.4 Limitation on Consolidation or Joinder. No arbitration arising out of or relating to the Contract shall include, by consolidation or joinder or in any other manner, the Architect, the Architect's employees or consultants, except by written consent containing specific reference to the Agreement and signed by the Architect, Owner, Contractor and any other person or entity sought to be joined. No arbitration shall include, by consolidation or joinder or in any other manner, parties other than the Owner, Contractor, a separate contractor as described in Article 6 and other persons substantially involved in a common question of fact or law whose presence is required if complete relief is to be accorded in arbitration. No person or entity other than the Owner, Contractor or a separate contractor as described in Article 6 shall be included as an original third party or additional third party to an arbitration whose interest or responsibility is insubstantial. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described therein or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.~~

~~§ 4.6.5 Claims and Timely Assertion of Claims. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.~~

~~§ 4.6.6 Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect will promptly reply to the Contractor in writing within 15 days stating whether or not the Owner or the Architect, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Architect to reply promptly shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not change a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitute.

§ 5.3 SUBCONTRACTUAL RELATIONS

§ 5.3.1 By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 ~~Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner provided that:~~

- ~~1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements which the Owner accepts by notifying the Subcontractor and Contractor in writing; and~~
- ~~2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.~~

~~§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension. The Contractor hereby assigns to the Owner all of the Contractor's interest in first-tier subcontracts now or hereafter entered into by the Contractor for performance of any part of the Work. The assignment will be effective only upon acceptance by the Owner in writing and only as to those Subcontracts which the Owner designates in writing. Owner may accept said assignment at any time during the course of the Work and prior to Final Completion in the event of a suspension or termination of Contractor for cause. Such assignment is part of the consideration to the Owner for entering into the Contract with Contractor and may not be withdrawn prior to Final Completion.~~

§ 5.5 PAYMENTS TO SUBCONTRACTORS

~~§ 5.5.1 The Contractor shall promptly advise the Owner of any claims or demand by a Subcontractor claiming that any amount is overdue to such Subcontractor or claiming any default by the Contractor of its obligations to such Subcontractor.~~

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Section 4.3. Owner agrees that it shall employ union laborers for any work it performs pursuant to this Section.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 ~~The Owner-Contractor shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. If requested by the Owner, the Contractor shall enter into cooperation agreements acceptable to the Owner.~~ The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the ~~Owner-Other~~ until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor. This paragraph shall not require Owner to be indemnified for its own negligence.

§ 6.2.4 The Contractor shall promptly remedy damage wrongfully caused by the Contractor to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate ~~contractor~~ contractor, to the extent either is performing work at the Site, shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

§ 6.3.1 If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and ~~the Architect will~~ allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect, stating their agreement upon all of the following:

- .1 change in the Work;
- .2 the amount of the adjustment, if any, in the Contract Sum; and
- .3 the extent of the adjustment, if any, in the Contract Time. Requests for extensions of time will be governed by Section 8 hereof.

§ 7.2.2 Methods used in determining adjustments to the Contract Sum may include those listed in Section 7.3.3.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 unit prices stated in the Contract Documents or subsequently agreed upon;
- ~~.3 upon a~~ .3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 as provided in Section ~~7.3.6-7.3.7~~.

~~§ 7.3.4 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.~~

§ 7.3.4. As a condition precedent to the Owner's consideration of an adjustment to the Contract Time, the Contractor shall provide to the Owner's satisfaction credible records which demonstrate that the amount of time the Contractor spent in performing the change was not concurrent with the Contractor's performance of the original Work and not caused by any delay for which the Contractor is solely or partially responsible.

§ 7.3.5 A- Upon receipt of a Construction Change Directive signed by Directive, the Contractor indicates shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the Contractor

~~therewith, including proposed adjustment in the Contract Sum and or Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order. Time.~~

~~§ 7.3.6 If A Construction Change Directive signed by the Contractor does not respond promptly or disagrees with indicates the agreement of the method for Contractor therewith, including adjustment in the Contract Sum and Contract Sum, Time or the method and the adjustment for determining them. Such agreement shall be determined by the Architect on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, effective immediately and also under Section 7.3.3.3, the Contractor shall keep and present, in such form be recorded as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.6 shall be limited to the following: a Change Order.~~

~~§ 7.3.7 If the Contractor does not respond promptly or cannot reach agreement with Owner for adjustment in the Contract Sum or adjustment to the Contract Time, the Contractor shall proceed with the Work and, the method and the adjustment shall be determined by the Owner on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, as set forth in Subparagraph 7.3.3. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.6 shall be limited to the following:~~

- ~~.1 costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;~~
- ~~.2 costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;~~
- ~~.3 rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;~~
- ~~.4 costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and~~
- ~~.5 additional costs of supervision and field office personnel directly attributable to the change.~~

~~§ 7.3.7 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.~~

~~§ 7.3.8 Pending final determination The amount of credit to be allowed by the total cost of a Construction Change Directive Contractor to the Owner, amounts not Owner for a deletion or change which results in dispute for such changes a net decrease in the Work Contract Sum shall be included in Applications for Payment accompanied actual net cost as confirmed by a Change Order indicating the parties' agreement with part Architect. When both additions and credits covering related Work or all of such costs. For any portion of such cost that remains substitutions are involved in dispute, a change, the Architect will make an interim determination allowance for purposes of monthly certification for payment for those costs. That determination of cost overhead and profit shall adjust the Contract Sum be figured on the same basis as a Change Order, subject to the right of either party net increase, if any, with respect to disagree and assert a claim in accordance with Article 4. that change.~~

~~§ 7.3.9 When the Owner and Contractor agree with the Pending final determination made by of the Architect concerning total cost of a Construction Change Directive to the adjustments Owner, amounts not in dispute for such changes in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement Work shall be effective immediately and shall be recorded included in Applications for Payment accompanied by preparation and execution a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Architect will make an appropriate interim determination for purposes of monthly certification for payment for those costs. That determination of cost shall adjust the Contract Sum on the same basis as a Change Order. Order, subject to the right of either party to disagree and assert a claim in accordance with Article 4.~~

~~§ 7.3.10 When the Owner and Contractor agree with the determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such~~

agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ 7.4 MINOR CHANGES IN THE WORK

§ 7.4.1 The Architect or Owner will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the ~~Work-Work~~ and that it is capable of properly completing the Work within the Contract Time.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Contract Documents or a notice to proceed given by the Owner, the Contractor shall notify the Owner in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time. Time set forth in the Agreement.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's reasonable control, or by delay authorized by the Owner pending ~~mediation and arbitration, mediation,~~ or by other causes which the Architect ~~determines and Owner determine~~ may justify delay, then the Contract Time shall ~~may~~ be extended in Owner's sole discretion by Change Order for such reasonable time as the ~~Architect-Owner~~ may determine. As a condition precedent to Contractor's claim for an extension of the Substantial or Final Completion Date, Contractor must (i) provide written notice to Architect and Owner within twenty (20) days of the date Contractor reasonably should have been aware of the commencement of the delay; (ii) within twenty (20) days following the expiration of any such delay, provide a written request for extension of the scheduled Substantial or Final Completion Date by reason of such delay; and (iii) provide to the Architect's and Owner's satisfaction along with such written request for extension of the scheduled Substantial or Final Completion Date credible evidence which demonstrates that the amount of time the Contractor spent performing the work that gave rise to the claim was not concurrent with the Contractor's performance of the original Work and was not caused by any delay for which the Contractor is solely or partially responsible. Failure to deliver any such notice, request and credible evidence within the foregoing periods shall constitute an irrevocable waiver of any extension of the scheduled Substantial or Final Completion Date by reason of the cause in respect of which such notice was required. In the case of the continuing cause of delay of a particular nature, Contractor shall be required to make

only one such request with respect thereto. Extension of time shall be Contractor's sole and exclusive remedy for any such delay, except as otherwise agreed to by Owner.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Section 4.3.

§ 8.3.3

~~§ 8.3.1 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.~~

§ 8.3.4 Adjustments to the Contract Time shall be considered only for items identified as "critical path items" on the Contractor's originally submitted Construction Schedule, items that become critical path items in scheduling updates, or for reasons identified in Section 8.3.1.

§ 8.3.5 If any of the Work is to be performed by trade unions, the Contractor shall make all necessary arrangements to reconcile, without delay, damage, or cost to Owner and without recourse to Architect or Owner, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils which regulate or distinguish what activities shall not be included in the work of any particular trade. In case the progress of the Work is affected by any undue delay in furnishing or installing any items or material or equipment required under the Contract Documents because of the conflict involving any such agreement or regulation, Architect may require that of the material or equipment of equal kind and quality be provided.

§ 8.3.6 The Contractor will make reasonable efforts to achieve harmony among any unions having jurisdiction over the same work. In the event of labor disturbances, including strikes, picketing or other disturbances, the Contractor shall mitigate the effect of such upon achievement of the Contract Time.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 The Contractor's Contract Sum and Schedule of Values shall include a value of \$70,000, whether specifically stated or not in the Contract Documents, for full responsibility for winter conditions. Contractor shall obtain the Owner's prior written approval before incurring any costs for winter conditions.

§ 9.2 SCHEDULE OF VALUES

§ 9.2.1 Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Owner, Owner's Lender, Architect, and the Architect-construction escrow agent may require. This schedule, unless objected to by the Owner, Owner's Lender, Architect, or the construction escrow agent shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.2.2 This schedule of values shall indicate as single line items for each major item of Work, and each supplier of products or services in sequence of occurrence by each section of the Specifications. It shall include names and addresses of each Subcontractor and supplier of products or devices, and amounts to become due to each as applicable for each line item.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ~~ten~~ twenty days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for operations completed in accordance with the schedule of values. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and reflecting retainage if provided for in the Contract Documents. The Contractor's right to payment on an Application for Payment shall be subject to the right of the Owner's Lender to observe, review and analyze the Work and approve the Application for Payment.

§ 9.3.1.1 As provided in Section 7.3.8, such applications may include requests for payment on account of changes in the Work which have been properly authorized by Construction Change Directives, ~~or by interim determinations of the Architect, but not yet included in Change Orders.~~

§ 9.3.1.2 Such applications may not include requests for payment for portions of the Work for which the Contractor does not intend to pay to a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay. However, this paragraph will not apply to routine retainage the Contractor intends to withhold from the Subcontractor pursuant to the subcontract.

~~§ 9.3.2 Unless otherwise provided in Without the Owner's prior written consent, the Contract Documents, payments Contractor shall be made on account of not store or bill the Owner for materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored or off the site at a location agreed upon in writing. site. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.~~

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, sub-subcontractors, material and equipment suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of:

- .1 defective Work not remedied;

- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or another contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 persistent failure to carry out the Work in accordance with the Contract Documents.
- .8 failure of Contractor to remedy a Subcontractor's or supplier's mechanics lien pursuant to lien waiver procedures as set forth in Subparagraph 9.3.4 for which Contractor has been paid; or
- .9 Contractor's refusal or failure to accelerate when directed to do so by Owner in accordance with Subparagraphs 3.4.4 and 8.3.5.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After Subject to the provisions of Subparagraph 4.2.5, after the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Notwithstanding anything to the contrary provided in this Agreement, the Contractor acknowledges and agrees, and shall give written notice to all appropriate parties, including, without limitation, its Subcontractors and materialmen involved in the Project, that all monies paid by the Owner under the Contract Documents shall be paid through a construction escrow or other similar escrow arrangement (the "Construction Escrow"), which shall be in form and substance satisfactory to the Owner and its Title Company (the "Escrowee"). The Construction Escrow shall provide that the Escrowee will be authorized and directed to disburse the funds of the Owner deposited therein pursuant to Applications for Payment submitted by the Contractor, and approved by the Owner, the Owner's Lender, and Architect, only after obtaining as a condition precedent to making payment, such bonds, or releases and satisfactions of mechanics' liens or waivers of mechanics' liens and sworn statements of the Contractor, Subcontractors and material suppliers required by Escrowee to enable the Title Company to issue an ALTA Owner's Policy and any date-down endorsement thereto and an ALTA Lender's Policy and any date-down endorsement thereto (the "Title Policies") with no exception for any lien, or right to a lien, for services, labor or material heretofore furnished, imposed by law and not shown by the public records. The cost of the Construction Escrow and the Title Policy shall be borne by the Owner provided, however, that any charges or premiums of the Escrowee and the Title Company incurred as a result of the acts of Contractor, including, without limitation, any title indemnity funds for premiums relating to personal undertakings of the Contractor required by the Title Company to issue the policy of the title insurance shall be borne by the Contractor. No payment shall be made for materials and equipment stored off the site.

§ 9.6.2 The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 9.6.5 Payment to material suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

§ 9.7.1 If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect ~~or awarded by arbitration~~, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final ~~payment~~ payment ("Punch List"). Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. When the Punch List has been prepared and after the Architect's inspection pursuant to 9.8.3, the Architect and Owner will arrange a meeting with the Contractor and applicable Subcontractors, to identify and explain all punchlist items and answer any questions on the Work which must be done before final acceptance. The Contractor shall arrange a schedule so that items to be corrected are completed in the designated time. In the event that the Owner occupies a designated portion of the Work pursuant to Section 9.9.1, the date of Substantial Completion for that portion of the Works shall be the date of such partial occupancy as approved by the City. The Architect will issue a Certificate of Substantial Completion for that portion of the Work when the Owner so takes possession of the Work.

§ 9.8.3 Upon receipt of the ~~Contractor's list, list~~ Punch List, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the ~~Contractor's list, list~~ Punch List, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine ~~Substantial Completion~~ Completion that such Work has been completed.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence as provided in Section 3.5.1 on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if

any, the Owner shall make payment of retainage applying to such Work or designated portion thereof ~~thereof~~ if approved by the Owner's Lender except for an amount equal to one hundred fifty percent (150%) of the estimated cost to complete all items on the Punch List. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§9.8.6 Partial Release of Retention to Subcontractors. If requested by Contractor, and upon the agreement and prior written approval of Owner, and Contractor's surety under any bonds, if any, and in Owner's sole discretion, payment may be made in full, to those Subcontractors and/or suppliers whose Work is fully completed in the initial stages of the Project. As a condition of the release of their retainage such Subcontractors and/or suppliers shall have fully completed their Work and delivered all applicable documentation for final payment as described in Subparagraph 9.10.2 including release of mechanics' liens or documentation required by any title insurer, Escrowee, and Owners. All retainage shall be included in Contractor's Application for Payment for the purpose of indicating the value of work completed; however, Contractor shall not request payment thereof, nor shall such sums be due until final payment. Owners reduction in retainage is subject to reinstatement by Owner at any time and in Owner's sole discretion.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.4.1.5 and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) all maintenance and operation manuals, (6) any special guarantees or warranties required by the Contract Documents, and (7), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of

liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner, and (8) a list of the names, addresses and telephone numbers of all Subcontractors and (9) a final as-built survey showing the exact locations of all structures and water, sewer, gas and electric lines and mains, the building foundations, and other site improvements at the time of installation, together with a set of Record Drawings for the Project as constructed. Such survey shall be prepared by a licensed surveyor who shall certify that the Owner improvements are installed and erected entirely upon the land and within the building restriction lines, if any, and do not overhang or encroach upon any easement of right-of-way of others. Costs incurred in correcting any encroachment or overhang due to the fault of the Contractor shall not be included as a cost of the Work. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees, unless Contractor is proceeding diligently and in good faith to contest such lien and has furnished to Owner reasonable security, such as a bond, title insurance, or letter of credit to protect Owner against such liens.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from:

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

§ 10.1.1 ~~The As between Owner and Contractor, the Contractor shall be solely responsible for initiating, maintaining and supervising all safety and security precautions and programs in connection with the performance of the Contract.~~

§ 10.2 SAFETY OF PERSONS AND PROPERTY SAFETY AND SECURITY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities which transverse or are adjacent to the site, whether or not shown accurately on the Contract Documents of which Contractor has actual knowledge, and which are not designated for removal, relocation or replacement in the course of construction.

~~§ 10.2.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.~~

§ 10.2.2 In addition to the requirements of Subparagraph 10.2.1, the Contractor shall provide temporary enclosures and protection of the buildings; install temporary doors for exterior door openings as required to prevent

unauthorized entrance into the buildings; provide temporary enclosures for window openings, if weather protection is required before windows are installed and glazed; provide adequate guards at material hoistway openings; elevator shafts and stairwell openings; protecting floors from mortar, paint and oil droppings and other damage; when windows are glazed, make evident the presence of glass by approved, simple painted markings or other devices which can be easily removed without scratching the glass; and provide temporary, but secure, protection to openings in exterior walls that are required by the Work. The Contractor shall remove all temporary enclosures and protection when no longer needed.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.3. The Contractor shall immediately report in writing to Owner and Architect all accidents arising out of or in connection with the Work which cause death, personal injury or property damage, giving full details and statements of witnesses.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care give notices and comply with applicable laws, ordinances, rules, regulations and every lawful orders of public authorities bearing on such activities under supervision safety of properly qualified personnel persons or property or their protection from damage, injury or loss.

§ 10.2.5 The Contractor shall promptly remedy damage erect and loss (other than damage or loss insured under property insurance maintain, as required by the Contract Documents) to property referred to in Sections 10.2.1.2 existing conditions and 10.2.1.3 caused in whole or in part by performance of the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone Contract, reasonable safeguards for whose acts they may be liable safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and for which the Contractor is responsible under Sections 10.2.1.2 notifying owners and 10.2.1.3, except damage or loss attributable to acts or omissions users of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, adjacent sites and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18. utilities.

§ 10.2.6 The Contractor shall designate a responsible member When use or storage of the Contractor's organization at the site whose duty shall be the prevention explosives or other hazardous materials or equipment or unusual methods are necessary for execution of accidents. This person shall be the Contractor's superintendent unless otherwise designated by Work, the Contractor in writing to the Owner shall exercise utmost care and Architect carry on such activities under supervision of properly qualified personnel.

§ 10.2.7 The Contractor shall not load promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or permit indirectly employed by any part of them, or by anyone for whose acts they may be liable and for which the construction Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or site loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be loaded so as liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to endanger its safety the Contractor's obligations under Section 3.18.

§ 10.2.8 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.9 The Contractor shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material hazardous substance within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, and any implementing regulations or substance, guidance issued pursuant to CERCLA, including but not limited to asbestos or polychlorinated biphenyl (PCB), (PCB) or lead paint, encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an a reasonable objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up, which adjustments shall be accomplished as provided in Article 7.

§ 10.3.3 ~~To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.~~

§ 10.4 ~~The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.~~ Contractor.

§ 10.5 ~~If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.~~ EMERGENCIES

§ 10.5 EMERGENCIES

§ 10.5.1 ~~In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Section 4.3 and Article 7.~~

§ 10.5.1 In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Section 4.3 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 ~~The Contractor shall purchase and maintain insurance as set forth below which may arise out of or result from the Contractor's operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:~~

- ~~1 — claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;~~

- ~~2~~ — claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- ~~3~~ — claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- ~~4~~ — claims for damages insured by usual personal injury liability coverage;
- ~~5~~ — claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- ~~6~~ — claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- ~~7~~ — claims for bodily injury or property damage arising out of completed operations; and
- ~~8~~ — claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

~~§ 11.1.2 The insurance required by Section 11.1.1 shall be written in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such all be written will protect the Contractor from claims a for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims made basis, shall be maintained without interruption from date of commencement of the Work until date of final payment and termination of any coverage required to be maintained after final payment in Exhibit B~~

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Section 9.10.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

§ 11.2 OWNER'S LIABILITY INSURANCE

§ 11.2.1 The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE

~~§ 11.3.1 Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the Contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage, and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Sections 11.1.1.2 through 11.1.1.5.~~

~~§ 11.3.2 To the extent damages are covered by Project Management Protective Liability insurance, the Owner, Contractor and Architect waive all rights against each other for damages, except such rights as they may have to the proceeds of such insurance. The policy shall provide for such waivers of subrogation by endorsement or otherwise.~~

~~§ 11.3.3 The Owner shall not require the Contractor to include the Owner, Architect or other persons or entities as additional insureds on the Contractor's Liability Insurance coverage under Section 11.1.~~

§ 11.4 PROPERTY INSURANCE

§ 11.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless

otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.4 to be covered, whichever is later. This in accordance with the City's requirements, this insurance shall include interests of the Owner, Owner as named insured and shall name as additional insureds, the Contractor, Subcontractors and Sub-subcontractors in the Project-Project as their interests may appear.

§ 11.4.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss. Property Insurance provided by Owners shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the site and the capital value of which is not included in the Work. The Contractor shall make his own arrangements for any insurance he may require on such construction equipment.

§ 11.4.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance which will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.4.1.3 If the property insurance requires deductibles, the The Owner shall pay be responsible for payment of any property deductibles and costs not covered by the property insurance, provided, however, that if a theft or property damage loss covered because by the builder's risk insurance results from a negligent action or omission of the Contractor or any of such deductibles-its subcontractors, including a failure by the Contractor to secure the building in accordance with its contractual obligations under this Agreement, the Contractor shall be responsible for paying the builder's risk insurance deductible(s) in connection with the foregoing loss(es).

§ 11.4.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.4.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.4.2 **Boiler and Machinery Insurance.** The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.4.3 **Loss of Use Insurance.** The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.4.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.4.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment

property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.4.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.4.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.4. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.4.7 Waivers of Subrogation. The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.4.8 A loss insured under Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.4.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.4.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or in accordance with an arbitration award in which case the procedure shall be as provided in Section 4.6. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.4.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved as provided in Sections 4.5 and 4.6. The Owner as fiduciary shall, in the case of arbitration, make settlement with insurers in accordance with directions of the arbitrators. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution.

§ 11.5 PERFORMANCE BOND AND PAYMENT BOND

§ 11.5.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.5.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time. Approval of any material or Work at any time or stage of construction will not prevent its subsequent rejection within the one year warranty period for failure to conform to the requirements of the Contract Documents.

§ 12.1.2 If a portion of the Work has been covered which the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

§ 12.2.1.1 The Contractor shall at the Contractor's sole expense promptly correct Work rejected by the Architect or Owner or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery. ~~Owner has actual knowledge of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that this period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.~~

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

§ 12.3.1 If the Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

§ 13.1.1 The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. ~~other and any such unconsented to assignment shall be null and void and of no force and effect.~~ If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to an institutional lender providing construction financing for the Project. ~~In such event, the lender shall assume the Owner's rights and obligations under the Contract Documents.~~ The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

§ 13.3.1 ~~Written notice.~~ All notices given under the Contract Documents shall be in writing and shall be deemed to have been duly served properly served: (i) if delivered in person to or; (ii) three (3) days after deposit in the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or United States mail, if delivered at or sent postage prepaid by United States registered or certified mail to the last business address known to the party giving notice-mail return receipt requested; or (iii) one day after delivery via overnight courier, service delivery charges prepaid, as follows:

If to the Owner:

Wilson Yard Development I, LLC, an Illinois limited liability company
1333 North Kingsbury, Suite 305
Chicago, Illinois 60622
Attention: Peter Holsten
Phone: (312) 337-5339
Fax: (312) 337-4592

With a copy to:

Applegate & Thorne-Thomsen, P.C.
322 S. Green Street, Suite 400
Chicago, Illinois 60607
Attn: Thomas Thorne-Thomsen
Phone: (312) 421-8400
Fax: (312) 421-6162

If to the Contractor:

Charter Construction Company
an Illinois corporation
3550 Salt Creek Lane, Suite 116
Arlington Heights, IL 60005
Attention: Link Smith

Phone: (847) 342-1188

If to the Architect:

Adime Architecture
6430 N. Olympia Avenue
Chicago, Illinois 60631
Attention: Peter Madimenos
Phone: (773) 594-1610

or to such other address or addressee as any party entitled to receive notice hereunder shall designate to all other parties in the manner provided herein for the service of notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to ~~contracted directly by~~ the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

~~§ 13.6.1 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.~~

§ 13.7 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

§ 13.7.1 As between the Owner and Contractor:

- ~~.1 Before Substantial Completion. As to acts or failures to act occurring prior to the relevant date of Substantial Completion, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than such date of Substantial Completion;~~
- ~~.2 Between Substantial Completion and Final Certificate for Payment. As to acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to issuance of the final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of issuance of the final Certificate for Payment; and~~
- ~~.3 After Final Certificate for Payment. As to acts or failures to act occurring after the relevant date of issuance of the final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of any act or failure to act by the Contractor pursuant to any Warranty provided under Section 3.5, the date of any correction of the Work or failure to correct the Work by the Contractor under Section 12.2, or the date of actual commission of any other act or failure to perform any duty or obligation by the Contractor or Owner, whichever occurs last.~~

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped;
- .2 an act of government, such as a declaration of national emergency which requires all Work to be stopped;
- .3 because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 the Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery; ~~including reasonable overhead, profit and damages machinery.~~

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has persistently failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- .4 institutes or consents to proceedings requesting relief or arrangement under the Federal Bankruptcy Act or any similar or applicable federal or state law;
- .5 is the subject of a petition under any federal or state bankruptcy or insolvency law that is filed against the Contractor and such petition is not dismissed within ninety (90) days from the date of said filing;
- .6 admits in writing its inability to pay its debts generally as they become due;
- .7 makes a general assignment for the benefit of his creditors;
- .8 is replaced by receiver, liquidator, trustee or assignee who is appointed on account of the Contractor's bankruptcy or insolvency;
- .9 property, either in whole or in part, is subject to the authority of an appointed receiver;
- .10 abandons the Work;
- .11 submits an Application for Payment, sworn statement, waiver of lien, affidavit or document of any nature whatsoever which is intentionally falsified;
- .12 fails to make prompt payment to Subcontractors or for materials or labor or otherwise breaches its obligations under any Subcontract with a Subcontractor; or
- .13 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, ~~upon certification by the Architect that sufficient cause exists to justify such action,~~ may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 accept assignment of subcontracts pursuant to Section 5.4; and
- .3 finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

~~§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.~~

§ 14.2. If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent:

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 ~~The Owner may terminate this Agreement without regard to fault or breach upon written notice to Contractor, effective immediately, unless otherwise provided in said notice. In the event of such termination, Owner may, at shall pay as the sole amount due to Contractor in connection with this Project all sums due for the following: (i) Work performed to date of termination, (ii) any proven loss sustained upon any materials or equipment which the Contractor cannot return; and (iii) reasonable demobilization costs. In no event shall any time, terminate profit, fee or other compensation be paid or payable on the unperformed Work. Such sums will be due and payable on the same conditions as set forth herein for final payment to the extent applicable. Upon receipt of such payment, the Contract parties hereto shall have no further obligations to each other except for Contractor's obligations to perform corrective and/or warranty work and to indemnify Owner as provided in the Agreement. The Contractor agrees that each Subcontract and purchase order issued by it will reserve to the Contractor the same right of termination and assignment provided by this Section, and the Owner's convenience Contractor further agrees to require that comparable provisions be included in all lower tier Subcontracts and without cause purchase orders.~~

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall:

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 ~~In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.~~

§ 14.4.3

EXHIBIT A

SHEET NO.	SHEET TITLE	LAST REVISED
Index	Drawing Index Cover Sheet	9/8/05
EC	Energy Compliance	9/8/05,
	Plat of Survey	8/2/05
C1	Civil Cover Sheet	9/8/05,
TS1	General Notes & Typical Sections	7/1/05
	Plat of Survey	5/3/04
OVG	Overall Geometric Plan	7/1/05
GM1	Geometric Plan	8/1/05
G1	Grading Plan	8/1/05
U1	Utility Plan	8/1/05
PP1	Sunnyside Plan and Profile	8/16/05
PH1	Phasing Plan	7/1/05
SP1	Specifications – 1	4/29/05
SP2	Specifications – 2	4/29/05
D1	Details – 1	4/29/05
D2	Details – 2	4/29/05
D3	Details – 3	4/29/05
L1.00	Landscape Plan	9/8/05
L2.00	Plant List & Details	9/8/05
L3.00	Green Roof Plan & Plant List	9/8/05
L4.00	Section & Details	9/8/05
S.1	Structural Notes & Schedules	9/8/05
S.2	Foundation Plan	9/8/05
S.3	Roof Framing Plan	9/8/05
S.4	Structural Sections & Details	9/8/05
S.5	Structural Details – 1	9/8/05
S.6	Structural Details – 2	9/8/05
A1	Floor Plan	9/8/05,
A1.1	Section Plan & Keyed Notes	9/8/05
A1.2	Enlarged Plans & Details	9/8/05
A1.3	Painting Plan & Schedule	9/8/05
A2	Ceiling Plan & Details	9/8/05
A3	Roof Plan & Details	9/8/05
A4	Exterior Elevations	9/8/05
A5	Wall Sections	9/8/05
A6	Wall Sections	9/8/05
A6.1	Wall Sections	9/8/05
A6.2	Wall Sections	9/8/05
A7	Door Schedule & Details	9/8/05
A7.1	Int. Elevations & Details	9/8/05
A7.2	Interior Elevations	9/8/05
A7.3	Interior Elevations	9/8/05
A8	Building Details	9/8/05
P1	Plumbing Plan	9/8/05
P2	Enlarged Plans & Risers	9/8/05
P3	Schedules & Details	9/8/05
P4	Schedules & Details	9/8/05
M1	HVAC Plan	9/8/05
M2	Schedules & Details	9/8/05
E1	Lighting Plan & Schedule	9/8/05
E2	Power Plan & Notes	9/8/05
E3	Panel Schedule & Diagrams	9/8/05
E4	Electrical Details.	9/8/05
E5	Material List & Notes	9/8/05

**EXHIBIT B
INSURANCE**

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

(a) Prior to Execution and Delivery of this 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 or in connection with this Agreement, and employer's liability coverage, with limits of not less than \$100,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability. Coverage extensions 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 individuals and entities identified in **Exhibit C** ("Additional Insureds") are to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

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

(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 or in connection with this Agreement and employer's liability coverage with limits of not less than \$500,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, for bodily injury, personal injury

and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion of construction of the Project), explosion, collapse, underground, independent contractors, separation of insureds, defense and contractual liability (with no limitation endorsement). The Additional Insureds are to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(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 in connection with this Agreement, Contractor shall provide, or cause to be provided, Automobile Liability Insurance with limits of not less than \$2,000,000.00 per occurrence for bodily injury and property damage. The Additional Insureds are to be named as an additional insured on a primary, non-contributory basis.

(iv) INTENTIONALLY OMITTED

(v) All Risk Builders Risk Insurance

When Contractor undertakes any construction, including improvements, betterments, and/or repairs, it shall provide, or cause to be provided, All Risk Builder's Risk Insurance at replacement cost for materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include but are not limited to the following: boiler and machinery (if applicable) and collapse. The Additional Insureds shall be named as additional loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000.00. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. 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 in connection with this Agreement, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors' Pollution Liability Insurance

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

(c) Other Provisions

- (i) Contractor shall furnish the following certificates the Owner at 1333 North Kinbgsbury, Suite 305, Chicago, Illinois, 60622, and to DPD at City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602:

Original certificates of insurance evidencing the required coverage, showing the Additional Insureds as a certificate holder and, if applicable, loss payee or additional insured, to be in force on the date of execution of this Agreement, and renewal certificates of insurance or other evidence of renewal, if the coverages have an expiration or renewal date occurring during the term of the Agreement. Each certificate of insurance shall provide that the Additional Insureds are to be given sixty (60) days prior written notice in the event coverage is substantially changed, canceled or not renewed; and

Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from DPD) or its equivalent.

The receipt of the required certificates by Owner or DPD does not constitute an agreement by the Owner or the City that the insurance requirements of this Agreement have been fully met or that the insurance policies indicated on the certificates are in compliance with all requirements hereunder. The failure of the Owner or the City to receive such certificates or to receive certificates that fully conform to the requirements of this Agreement shall not be deemed to be a waiver by the Owner or the City of any of the insurance requirements set forth herein.

- (ii) Receipt by Contractor of policies or certificates: Contractor shall advise all insurers of the insurance requirements set forth in this Agreement, and the receipt by Contractor of policies or certificates that do not conform to

these requirements shall not relieve Contractor of its obligation to provide the insurance as set forth in this Agreement or required by law. Failure to comply with the insurance provisions of this Agreement constitutes an event of default hereunder, and the Owner and the City are entitled to exercise all remedies with respect thereto. Contractor expressly understands and agrees that any coverages and limits furnished Contractor shall in no way limit its liability and responsibilities specified within this Agreement or as required by law.

- (iii) Contractor shall require all subcontractors to carry the insurance required herein, or alternatively, Contractor, in its sole discretion, may provide the coverage on behalf of any subcontractor. All subcontractors shall be subject to the same requirements of Contractor in this subsection (c) unless specified herein. If as a result of Subcontractors' bids it is apparent that required coverages and/or limits are commercially impractical due to unavailability or that premium costs are higher than anticipated, Owner shall review the insurance requirements and then attempt to renegotiate them with the City of Chicago to enable subcontracts to be awarded for the trade work in question. Notwithstanding the foregoing, Contractor acknowledges and agrees that the Owner only has a duty to attempt to negotiate with the City of Chicago, and does not make any guaranty or warranty that the City of Chicago will make any changes to its insurance requirements.
- (iv) Contractor agrees, and shall cause its insurers and the insurers of each subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the Owner and City.
- (v) Any limitations set forth in the indemnification provisions in the Agreement, or any limitations on indemnities that may apply as a matter of law, shall in no way limit, reduce or otherwise affect the amounts or types of insurance required under this Agreement.
- (vi) Contractor, and not the Owner or the City, is responsible for meeting all of the insurance requirements under this Agreement and for the Project. Any insurance or self-insurance programs maintained by the Owner or the City shall apply in excess of and not contribute with insurance required to be provided by Contractor or any subcontractor under this Agreement.

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by Contractor or any subcontractor who is the insured under such policy, and shall not be borne by the Owner or the City.

If Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own protection, such person

or entity shall be responsible for the acquisition and cost of such additional protection.

- (vii) At its reasonable cost, if any, as established by a Change Request to the Contract price, the Owner and the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements set for in this Agreement so long as such action does not, without Contractor' prior written consent, increase such requirements.

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EXHIBIT C
List of Additional Insureds

Aldi Inc., an Illinois corporation

Broadway Limited Partnership

Broadway Montrose Building, LLC, an Illinois limited liability company

Chicago Transit Authority, an Illinois municipal corporation

City of Chicago, an Illinois municipal corporation

Dougherty & Company, LLC

Harris Trust and Savings Bank, as Trustee under Trust Agreement dated June 18, 1985,
and known as Trust Number 43249

Holsten Real Estate Development Corporation, an Illinois corporation

Kerasotes Showplace Theatres, LLC, a Delaware limited liability company

Morgan Group, LLC, an Illinois limited liability company

Target Corporation, a Minnesota corporation

Wilson Yard Partners, L.P., an Illinois limited partnership

Wilson Yard Development Corporation, an Illinois corporation

Wilson Yard Development I, LLC, an Illinois limited liability company

And other individuals and entities as the Owner may designate in writing from time to time.

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Exhibit D

The Contractor shall comply with Sections 3.06 (Change Orders), 8.09 (Prevailing Wage), 10.01(e) (Employment Opportunity), 10.02 (City Resident Employment Requirement), and Section 14.01 (Books and Records), of the "Wilson Yard Redevelopment Project Area Redevelopment Agreement." A copy of the foregoing sections are attached hereto.

complete in all material respects. The Master Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase I Project Budget for approval pursuant to Section 3.06 hereof.

(b) Phase II Project Budget. The LIHTC Developer has furnished to DPD, and DPD has approved the Phase II Project Budget showing total costs for the Phase II Improvements in an amount not less than Twenty Two Million Nine Hundred Thirty One Thousand Four Hundred Thirteen Dollars (\$22,931,413). The LIHTC Developer hereby certifies to the City that (a) it has commitments (in a form acceptable to DPD) for Lender Financing and Equity in an amount sufficient to pay for all costs of the Phase II Improvements; and (b) the Phase II Project Budget is true, correct and complete in all material respects. The LIHTC Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase II Project Budget for approval pursuant to Section 3.06 hereof.

(c) Phase III Project Budget. The Senior Developer has furnished to DPD, and DPD has approved the Phase III Project Budget showing total costs for the Phase III Improvements in an amount not less than Twenty One Million Eight Hundred Seventy Eight Thousand Four Hundred Twenty Dollars (\$21,878,420). The Senior Developer shall certify to the City that (a) it has commitments (in a form acceptable to DPD) for Lender Financing and Equity in an amount sufficient to pay for all costs of the Phase III Improvements; and (b) the Phase III Project Budget is true, correct and complete in all material respects. The Senior Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Phase III Project Budget for approval pursuant to Section 3.06 hereof.

3.06 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 delivered by the respective Developer to DPD concurrently with the progress reports described in Section 3.09 hereof; provided, that any Change Orders that would authorize or cause any of the following to occur must be submitted by the respective Developer to DPD for DPD's prior written approval: (a) a reduction in the total square footage of a phase of the Project by more than 5%, (b) a change of the proposed uses of a phase the Project, (c) an increase in any Project Budget by more than 10%, or (d) an extension in the construction schedule of any phase of more than 6 months. No Developer shall authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by such Developer of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor in excess of \$500,000 shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Available Incremental Taxes or proceeds of any City Note or provide any other additional assistance to a Developer.

3.07 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.

8.08 Employment Profile. Each Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile, including the number of jobs created and retained at the Project.

8.09 Prevailing Wage. Each Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all employees working in constructing the Project or otherwise completing the TIF-Funded Improvements. 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, a Developer shall provide the City with copies of all such contracts entered into by such Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto or as otherwise provided hereunder, no Affiliate of a Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. Each Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by such Developer and reimbursement to such 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, each Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or such Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, direct or indirect, in such Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Each Developer shall obtain and provide to DPD Financial Statements for each fiscal year of such Developer after the Closing Date for the Term of the Agreement so long as such Developer owns an economic interest in the Project. In addition, each 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. Each 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 Developers agree to pay or cause to be paid when due any Non-

applicants for the jobs created by the Project and the operation of the Developers' business on the Property. Developer shall use good faith efforts to request that the Anchor Site End Users cooperate to implement the terms of this Section 8.22 but the failure of such Anchor Site Users to do so shall not be a default hereunder.

8.23 Survival of Covenants. All warranties, representations, covenants and agreements of the Developers contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developers' 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. This Agreement is, and upon delivery, the City Notes will be, the valid and binding obligations of the City, enforceable against the City in accordance with their respective terms.

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. DEVELOPERS' EMPLOYMENT OBLIGATIONS

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

A 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 Purchasing Agent 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.

Each 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.

Each Developer shall submit reports to the Commissioner evidencing compliance with this Section 10.02 after the following periods: (1) upon expenditure of 50 percent of the total costs of the Project; (2) upon expenditure of 70 percent of the total costs of the Project; and (3) upon completion of the Project. Such reports shall include weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) which clearly identify 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 Developers, the General Contractor and each subcontractor shall provide full access to their employment records to the Purchasing Agent, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developers, 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 Developers, 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 Developers, 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 Purchasing Agent) 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 on the Project is completed, in the event that the City has determined that any 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 respective 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 such Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developers, the

General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination as to whether the Developers 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 Developers 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 Developers' MBE/WBE Commitment. Each 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 Project 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 24 percent by MBEs.
- ii. At least 4 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developers (and any party to whom a contract is let by a Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by a 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, each Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to

Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. Each Developer shall deliver quarterly reports to DOH 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 DOH in determining the Developer's compliance with this MBE/WBE commitment. DOH 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.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the respective 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 Developers' MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

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

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by the Developers, General Contractor or subcontractor who is the insured under such policy, and shall not be borne by the City.

If the Developers, the General Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own protection, such person or entity shall be responsible for the acquisition and cost of such additional protection.

(vii) The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements set forth in this Agreement so long as such action does not, without the Developers' prior written consent, increase such requirements.

SECTION 13. INDEMNIFICATION

Each Developer agrees, individually and severally and in no cases jointly or with respect to the obligation of any other Developer hereunder, to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) such Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other improvement for the Project, or (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer or its agents, employees, contractors or persons acting under the control or at the request of such Developer or (iv) such Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto, or (v) any actions resulting from any action undertaken by such Developer on the CTA Property prior to or after the conveyance of the CTA Property to the Developer by the City, or (vi) any actions resulting from any action undertaken by such Developer on the Azusa Property prior to or after the conveyance of the Azusa Property to the Developer by the City.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. Each 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 such Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. Each 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 shall have 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 Developers hereunder:

(a) the failure of any Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of such Developer under (i) this Agreement or (ii) any related agreement, if such failure with respect to any related agreement materially adversely affects such Developer's ability to perform its obligations under this Agreement;

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

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

ALDI, Inc.
 Broadway & Montrose
 Due date: August 19, 2005
 Revised : November 22, 2005

Charter Construction Co.
 Recap Sheet

Exhibit E

<u>Div</u>	<u>Trade</u>	<u>Scheduled Value</u>	<u>% Co/C</u>	<u>Adv-Disadv</u>	<u>Exposure</u>	<u>Comments</u>
1-010	Install - owner supplied mat'l	\$ 15,000	1%			
2-100	Excavation	\$ 156,000	9%			
2-510	Site utilities		0%			
	Utility spoils removal		0%			
2-200	Paving, striping and signs		0%			
2-800	Fencing		0%			
2-900	Landscape	\$ 113,780	7%			Weston - sole supplier
2-901	Irrigation system		0%			
2-990	Site concrete	\$ 22,300	1%			
3-100	Building concrete	\$ 189,094	11%			
	Decorative col & beam sys	\$ 124,270	7%			
4-100	Masonry	\$ 327,450	19%			
5-100	Structural steel + misc	\$ 207,900	12%			
	Decorative screen - E. elev	\$ 25,000	1%			
6-100	Carpentry	\$ 19,164	1%			
6-400	Millwork	\$ 3,500	0%			
7-100	Roofing & Sht Mtl		0%			Alt. No. 1 -- \$91,000
7-210	EIFS - plaster	\$ 7,406	0%			
7-900	Caulking/sealants	\$ 6,000	0%			
8-100	Doors, frames, hardware	\$ 6,595	0%			
8-300	Overhead doors	\$ 2,520	0%			
8-500	Glazing, storefront & windows	\$ 80,450	5%			
	Vestibule Operator & Doors		0%			Alt. No. 2 -- \$_____
9-100	Drywall	\$ 82,493	5%			
	Blocking, backing & misc	\$ 2,500	0%			
9-200	Acoustical ceiling	\$ 19,650	1%			
9-300	Quarry tile		0%			Alt. No. 3 -- budget \$8 PSF
9-650	CT, VCT, base & carpet	\$ 6,225	0%			
9-900	Painting & VWC	\$ 21,000	1%			
10-100	Toilet accessories	\$ 3,000	0%			
10-260	Specialties	\$ 1,000	0%			
10-441	Signage	\$ 500	0%			
11-100	Dock equipment	\$ 5,950	0%			
13-700	Fire alarm	inc 16-100				
13-900	Fire suppression	\$ 32,500	2%			
15-100	Plumbing	\$ 67,710	4%			
15-500	HVAC	\$ 78,135	4%			
16-100	Electrical	\$ 112,000	6%			
	Direct cost of construction	\$ 1,739,092	100%			
1-000	General conditions - site	\$ 39,000	2.2%			
1-100	Supervision - site	\$ 40,000	2.3%			
1-200	Proj mgt & office support	\$ 35,000	2.0%			
1-600	Liability insurance	\$ 10,000	0.6%			
1-699	Builders risk	\$ -	0.0%			
1-900	OH&P	\$ 65,000	3.7%			
	Subtotal	\$ 189,000	10.9%			
	Total	\$ 1,928,092				
	<u>Allowances</u>					
	Winter Conditions	\$ 75,000				
	Special Waste Haul off	\$ 129,030				
	Total GMP	\$ 2,132,122				

Exhibit E-1

825 CY Base bid haul off
Included in excavation (refer to Exhibit E)

1,845 CY Haul off if excavated spoils are not compactable
(refer to Exhibit E, Special Waste haul off, line
value \$129,030.00)

Therefore, $\$129,030/1,845 \text{ CY} = \$69.93/\text{CY}$
This is the unit to be used for the next 1,845 CY,
e.g. from 825 CY to 2,670 CY

If haul off quantity exceeds 2,670 CY, Charter will remove at
its cost up to 3,000 CY.

After 3,000 CY, the unit pricing as stated in the bid would
apply, e.g.:

\$ 67.10 CY	excavation and removal of unacceptable soils, up to 500 CY
\$ 41.80 CY	additional compacted fill material, up to 500 CY

If there is excavation below -8' due to undercutting, or other
additional excavation due to site conditions, these quantities
will be in addition to the above stated quantities, and unit
pricing will apply.

Haul off will be tracked using load tickets to verify the
number of loads at a rate of 11 cubic yards per standard tandem
axle dump truck.

Exhibit F

Bid Scope Clarifications



July 29, 2005

via federal express

Mr. Chris Nurre
Charter Construction
3550 Salt Creek Lane, #116
Arlington Heights, Illinois 60005
847.342.1188

RE: **Invitation to Bid**
Aldi @ Wilson Yards
Broadway & Sunnyside
Chicago, Illinois

Dear Chris:

Charter Construction is invited to bid on the construction of the proposed Aldi Food Store located at the intersection of Broadway and Sunnyside Avenues in Chicago, Illinois per the enclosed plans and specifications and the bidding requirements outlined below.

The project involves the construction of a 15,620 Aldi Food Store north of an existing Aldi which will be demolished as part of a separate redevelopment phase. This project is being built by the Developer of Wilson Yards on behalf of Aldi as part of the overall redevelopment of Wilson Yards.

General Requirements and Information:

1. The following scope of work is to be provided by the building contractor and included in your base bid.
 - a. Building structure, interior improvements, all mechanical/electrical to a point 5'-0" outside the building foundations. The site contractor will be responsible for installing CB-1 in the Aldi truck dock.
 - b. All clearing, grubbing, and grading within the back of curb required for the building construction including the grading of the loading dock.
 - c. Concrete sidewalks and paving within the back of curb as shown on sheet GM1, Geometric plan, of the SPACECO civil package.
 - d. The green roof is to be included in the base bid. All other site landscaping is by others.
2. Building permits are anticipated the end of September and work is to commence as soon as permits are released.
3. **The project completion date is March 1, 2006.** The project will be deemed to be complete when the building is ready to be turned over to Aldi for stocking and includes

TWO MID-AMERICA PLAZA - THIRD FLOOR
OAKBROOK TERRACE • LINCOLN 60181-4711
NEW BRIDGE • 100 WOODS BLVD
www.midamericagrp.com



AChainLinks Company
AN AMERICA GROUP COMPANY

Mr. Chris Nurre
July 29, 2005
Page 2

the completion of all punch list items and the installation of Aldi supplied materials. It is anticipated that in order to meet the project completion date certain tasks will need to be completed out of sequence and/or require multiple mobilizations by the trades. All costs for such work are to be included in the base bid.

4. This is a TIF funded project and is subject to city residency, MBE/WBE requirements and prevailing rates as applicable under the Illinois Prevailing Wage Act and further specified in the attached draft Rider. The Rider will become part of the construction contract and the terms of which are not negotiable. The Alderman has requested that local residents be used for labor in order to satisfy a portion of the City residency requirement. The Alderman's office will provide a list of prequalified individuals. All contractors are encouraged to interview the proposed candidates.
5. Provide additive alternates to provide materials for and perform installation of the following scopes of work.
 - a. ALTERNATE 1: Flexible Sheet Roofing System (Section 07530)
 - b. ALTERNATE 2: Vestibule doors, operators (Section 08410)
 - c. ALTERNATE 3: Quarry tile floor (Section 09300)

Proposal Submission:

Bids are due to my attention by 5:00 PM on August 19, 2005 via fax, hard copy, or e-mail using the bid form included in the specifications. An outline schedule for the completion of the work is to be included with all bids.

Please contact me if you have any questions regarding this package. We look forward to hearing from you.

Sincerely,

MID-AMERICA ASSET MANAGEMENT, INC.
As Agent for Wilson Yard Development I, LLC

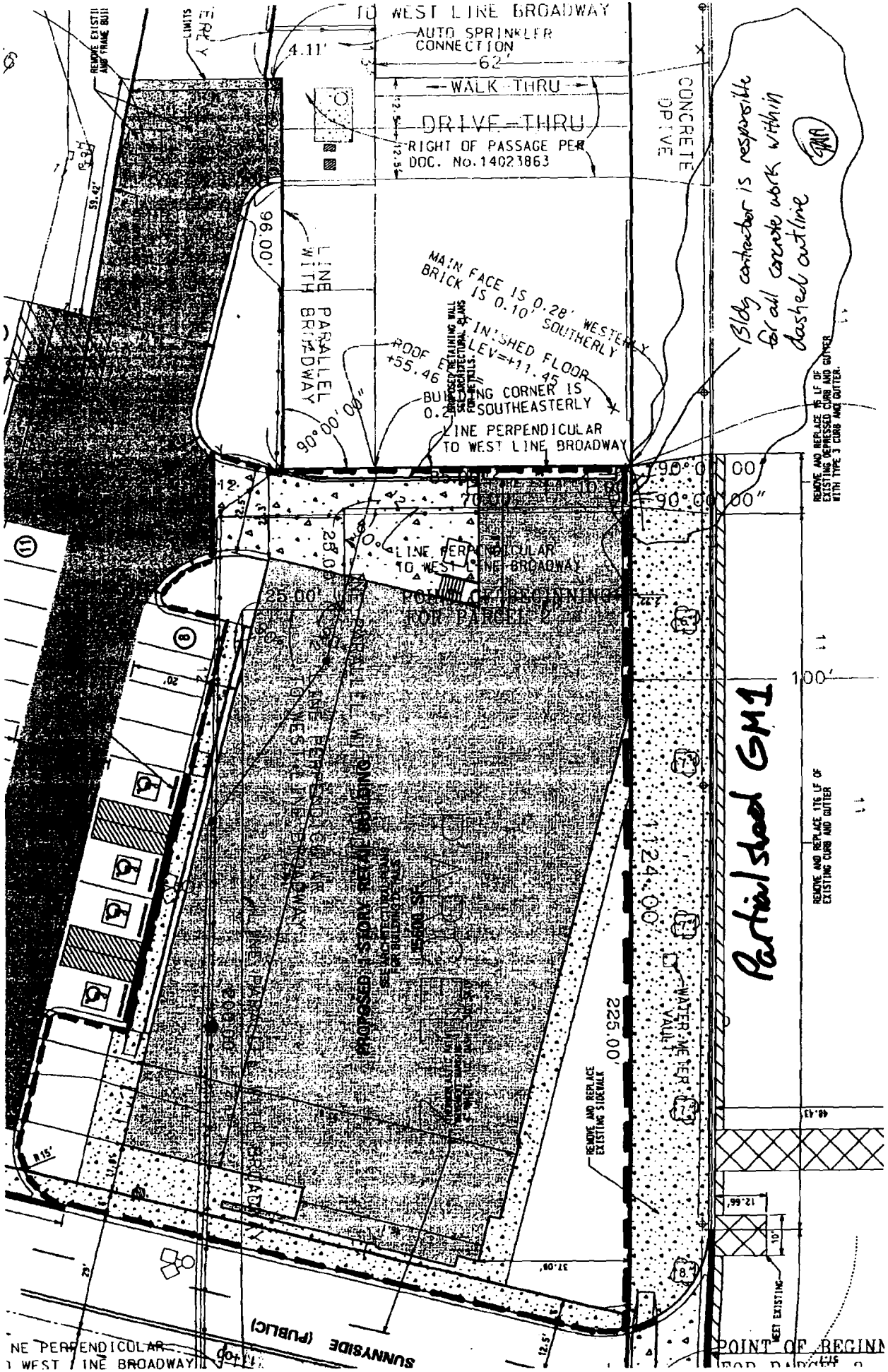


Thomas A. Arena, AIA
Project Manager

/taa

Encl.: plans & specifications (2 copies), contract rider, Plat of Survey

cc: Tania Kadakia, Holsten
C. Michelle Panovich, MAAMCO
Patricia Mahony, MAAMCO



Bldg contractor is responsible for all concrete work within dashed outline



Partial steel GM1

REMOVE AND REPLACE 16 LF OF EXISTING DEPRESSED CURB AND GUTTER WITH TYPE 3 CURB AND GUTTER.

REMOVE AND REPLACE 116 LF OF EXISTING CURB AND GUTTER

REMOVE AND REPLACE EXISTING SIDEWALK

WATER METER VAULT

POINT OF BEGINNING

SUNNYSIDE (PUBLIC) WEST LINE BROADWAY

MEMORANDUM

TO: All Bidders

FROM: Thomas Arena

DATE: August 18, 2005

CC: Michelle Panovich, MAAMCO Peter Madimenos, Adime
Patty Mahony, MAAMCO Tania Kadakia, Holston

RE: **BID CLARIFICATION No. 1**
Wilson Yards - Aldi
Chicago, Illinois

The follow are the bid clarifications based on the prebid meeting held on August 5, 2005 in the offices of Mid-America Asset Management as well as recent RFIs.

1. All work is to be performed by union contractors holding a current license with the City of Chicago.
2. A full time superintendent is required.
3. Insurance is to be provided as outlined in the attached document.
4. This job is not tax exempt.
5. The Developer will contract for testing and inspection services.
6. The Developer will contract for settlement survey of the EL foundations if required.
7. All excavation spoils are assumed to be special waste and are to be disposed of accordingly. Excavation spoils can be used as backfill of the foundations.
8. The Developer will carry a Winter Conditions allowance. The contractors are requested to include with their proposal an opinion of the assumed Winter Conditions costs.
9. DELETE the backlit displays on the West Elevation as well as all associated wiring.
10. DELETE key notes E2 & E3 on sheet E1. There is no monument sign on this project and site lighting will be accomplished via the building mounted fixtures.
11. All metal in the decorative frames on the North Elevation is to be primed and painted (color to be selected by Architect). Steel grating to be McNichols Heavy Weld Steel Series HWE (4"x2-3/8" spacing) with 2-1/2" x 1/4" bearing bar size. At the Contractor's discretion the panels can fabricated complete in the shop or field bolted. Contractor to provide shop drawings for approval.
12. The General Contractor's penalty for not meeting local hires (section 10.02 of Redevelopment Agreement) is 0.0005 (1/20th of 1%) of the hard cost of construction.
13. A list of references for similar projects as well as recent experience with TIF funded projects with certified payrolls is to be included with your proposals.
14. End of List.

SECTION 12. INSURANCE

The Developers shall procure and maintain, or cause to be procured and maintained, at their sole cost and expense, at all times throughout the Term of this Agreement (or during the construction period as specified at (b) below) and until each and every obligation of the Developers contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developers, the General Contractor or any subcontractor:

(a) Prior to Execution and Delivery of this 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 or in connection with this Agreement, and employer's liability coverage, with limits of not less than \$100,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: on 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 under or in connection with this Agreement.

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



(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 or in connection with this Agreement and employer's liability coverage with limits of not less than \$500,000.00 for each accident or illness.

1065

- * (ii) Commercial General Liability Insurance (Primary and Umbrella)
- Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion of construction of the Project) 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 under or in connection with this Agreement.
- * (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 in connection with this Agreement, the Developers shall provide, or cause to be provided, Automobile Liability Insurance with limits of not less than \$2,000,000.00 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, in connection with this Agreement, any work is to be done adjacent to or on property owned by a railroad or public transit entity, the Developers shall provide, or cause to be provided, with respect to the operations that the Developers perform, Railroad Protective Liability Insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.
- * (v) All Risk Builders Risk Insurance
- When the General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the General Contractor shall provide, or cause to be provided, All Risk Builder's Risk Insurance at replacement cost for materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include but are not limited to the following: boiler and machinery (if applicable) and collapse. The City of Chicago shall be named as additional loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000.00. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. 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 in connection with this Agreement, Valuable Papers Insurance shall be maintained in an amount to insure against any loss whatsoever, and shall have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors' Pollution Liability Insurance

When any remediation work is performed in connection with this Agreement which may cause a pollution exposure, Contractors' Pollution Liability Insurance shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, clean-up costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede start of work in connection with this 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) Other Provisions



(i) The Developers shall furnish the following certificates to DPD at City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602:

--Original certificates of insurance evidencing the required coverage, showing the City as a certificate holder and, if applicable, loss payee or additional insured, to be in force on the date of execution of this Agreement, and renewal certificates of insurance or other evidence of renewal, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. Each certificate of insurance shall provide that the City is to be given sixty (60) days prior written notice in the event coverage is substantially changed, canceled or not renewed; and

—Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from DPD) or its equivalent.

The receipt of the required certificates by DPD does not constitute an agreement by the City that the insurance requirements of this Agreement have been fully met or that the insurance policies indicated on the certificates are in compliance with all requirements hereunder. The failure of the City to receive such certificates or to receive certificates that fully conform to the requirements of this Agreement shall not be deemed to be a waiver by the City of any of the insurance requirements set forth herein.

(ii) Receipt by the Developers of policies or certificates: The Developers shall advise all insurers of the insurance requirements set forth in this Agreement, and the receipt by the Developers of policies or certificates that do not conform to these requirements shall not relieve the Developers of their obligation to provide the insurance as set forth in this Agreement or required by law. Failure to comply with the insurance provisions of this Agreement constitutes an Event of Default hereunder, and the City is entitled to exercise all remedies with respect thereto. Each Developer expressly understands and agrees that any coverages and limits furnished by Developers shall in no way limit the Developers' liability and responsibilities specified within this Agreement or as required by law.

(iii) The Developers shall require the General Contractor and all subcontractors to carry the insurance required herein, ~~or alternatively, the Developers may provide the coverage on behalf of the General Contractor or any subcontractor.~~ All General Contractors and subcontractors shall be subject to the same requirements of the Developers in this subsection (c) unless specified herein.

(iv) Each Developer agrees, and shall cause its insurers and the insurers of its General Contractor and each subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

(v) The limitations set forth in the indemnification provisions in Section 13 hereof, or any limitations on indemnities that may apply as a matter of law, shall in no way limit, reduce or otherwise affect the amounts or types of insurance required under this Agreement.

(vi) The Developers and not the City are responsible for meeting all of the insurance requirements under this Agreement and for the Project. Any insurance or self insurance programs maintained by the City shall apply in excess of and not contribute with insurance required to be provided by the Developers, General Contractor or any subcontractor under this Agreement.

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by the Developers, General Contractor or subcontractor who is the insured under such policy, and shall not be borne by the City.

If the Developers, the General Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own protection, such person or entity shall be responsible for the acquisition and cost of such additional protection.

(vii) The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements set forth in this Agreement so long as such action does not, without the Developers' prior written consent, increase such requirements.

SECTION 13. INDEMNIFICATION

~~Each Developer agrees, individually and severally and in no cases jointly or with respect to the obligation of any other Developer hereunder, to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) such Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other improvement for the Project, or (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer or its agents, employees, contractors or persons acting under the control or at the request of such Developer or (iv) such Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto, or (v) any actions resulting from any action undertaken by such Developer on the CTA Property prior to or after the conveyance of the CTA Property to the Developer by the City, or (vi) any actions resulting from any action undertaken by such Developer on the Azusa Property prior to or after the conveyance of the Azusa Property to the Developer by the City.~~

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

~~14.01 Books and Records. Each 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 such Developer's loan statements, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. Each 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.~~

G

EXHIBIT G-1

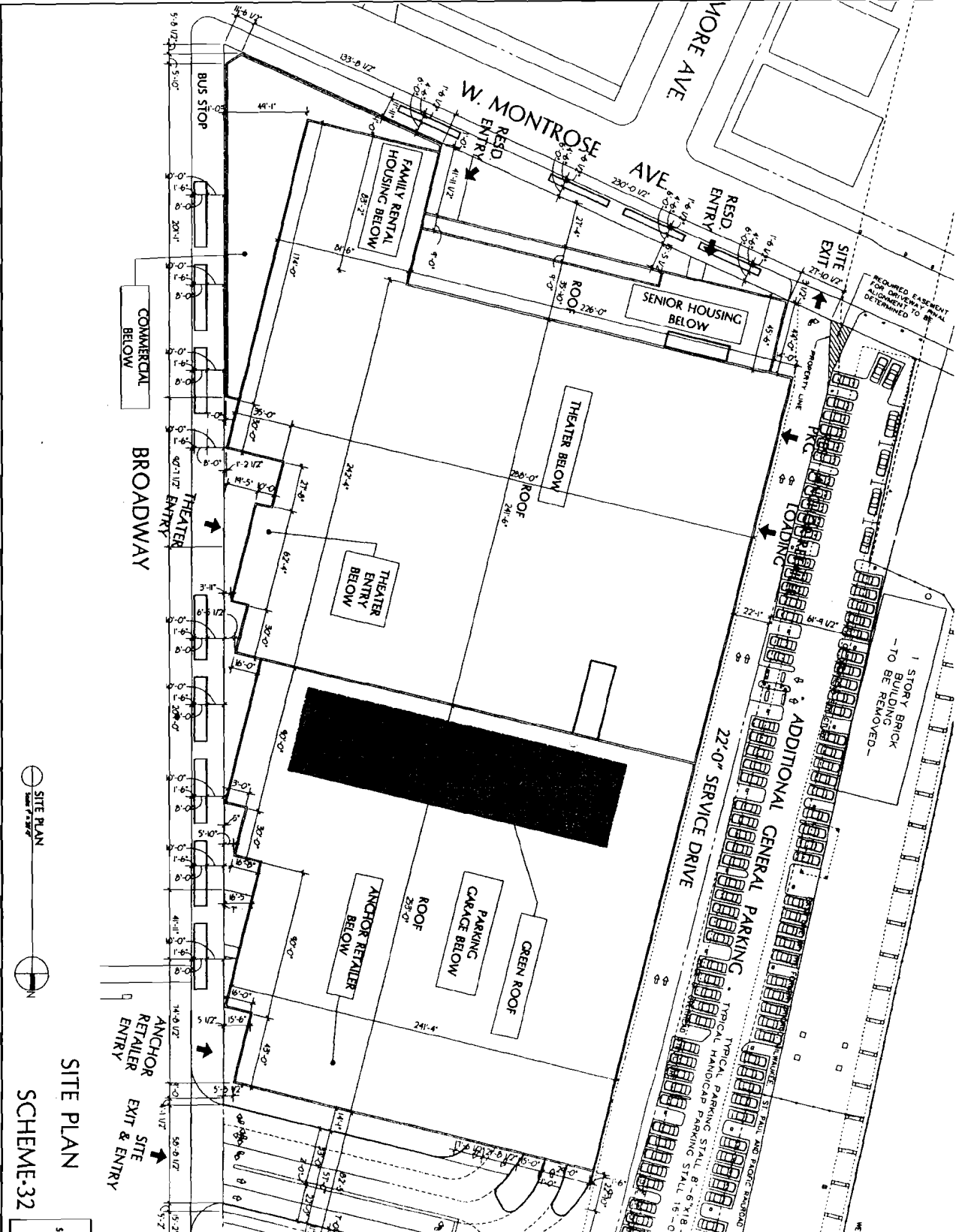
LEGAL DESCRIPTION OF PROPERTY

See Exhibits C-1 through C-5 collectively

EXHIBIT G-2

DEPICTION OF PROPERTY

See Site Plan attached.



○ SITE PLAN
SCALE 1"=20'-0"



○ SITE PLAN
SCALE 1"=20'-0"
SCHEME.32

○ SITE PLAN
SCALE 1"=20'-0"
A-01

02-17-05 DRAFT - IN PROGRESS

WILSON YARD
HOLSTEN CORPORATION

NOT FOR DISTRIBUTION

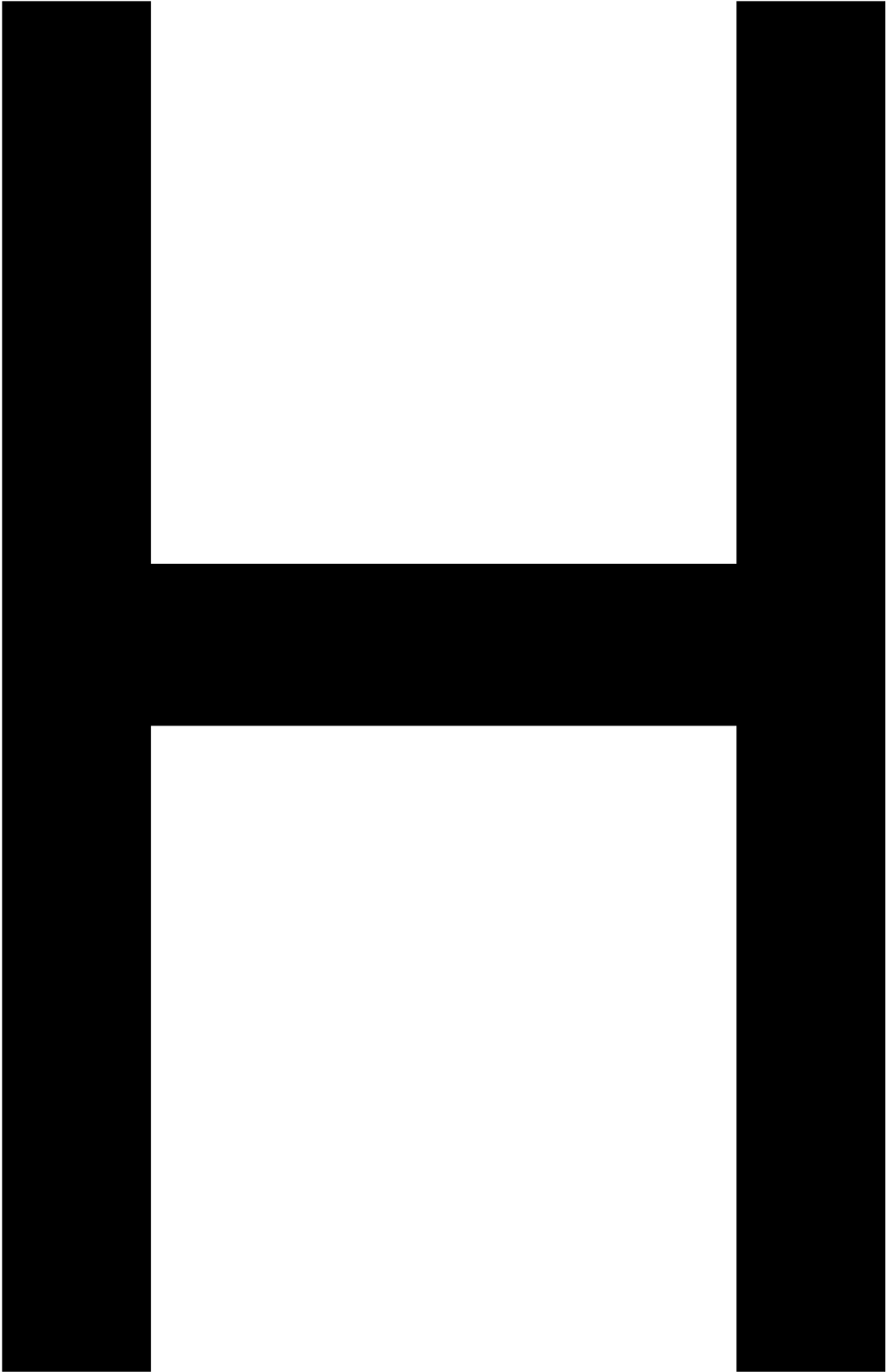


EXHIBIT H

REQUISITION/PAYMENT FORM

State of Illinois)
) SS
COUNTY OF COOK)

The affiant, _____ of _____, a(n) _____ (the "Developer"), hereby certifies that with respect to that certain Wilson Yard Redevelopment Agreement between the Developer and the City of Chicago dated _____, 2005 (the "Agreement"):

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

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

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

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

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

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

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

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

By: _____
Name
Title: _____

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

My commission expires: _____



EXHIBIT I

PERMITTED LIENS

1. Liens or encumbrances against the Project Property:

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

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

J

EXHIBIT J-1

PROJECT BUDGET – PHASE I

See attached.

Uses			Permanent Sources	
Item		Subtotal		
Land	4,653,750		Bank loan	-
Easement Removal	70,000		TIF bond proceeds	7,359,260
Subtotal, Acquisition		4,723,750	Soft funds	-
Green roof	124,032		HUD 202/LIHTC equity	-
Construction, Store	2,523,081		Property rights sale	1,875,000
Construction, Parking	671,925		Share, site work	-
Infrastructure	605,084		Const. contribution	1,325,000
Remediation	96,600		Return of Equity	465,000
Contingency	159,750		Other	-
Subtotal, Construction:		4,180,472	Total	11,024,260
Owner's Rep	45,000			
Architect: Design	49,500			
Architect: Supervision	38,563			
Architect: Reimbursables	7,713			
* Landscaping	19,320			
* Landscape architect	1,232			
Inspecting Architect	8,000			
Structural, MEP, Sound Engineers	72,128			
Civil Engineering	9,602			
Developer overhead & fee	185,944			
Legal				
Zoning, TIF, and vertical subdivision	20,930			
* Other shared	43,470			
Partnership	966			
Other	30,000			
Accounting	10,000			
Appraisal	1,610			
Master developer profit	493,967			
Environmental Reports/Testing	12,035			
Market Study				
Permit and expediting	51,137			
Survey	2,254			
* Other consulting (Traffic)	2,782			
Consulting, leasing and sales				
Consulting, approval process				
Sales/Rental				
Brokerage fee				
Marketing, advertising, & PR				
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		1,106,154		
Perm Loan Fee	-			
Construction Loan Fee	32,200			
* Bond issuance	51,246			
* TIF study & financing	812			
Construction Period Loan Interest	320,000			
Return on Equity	59,625			
Construction Period Taxes	5,000			
Construction Period Insurance	5,000			
Title & Recording	5,000			
Soft Cost Contingency	60,000			
Operating/Damage Reserve				
Insurance Escrow	10,000			
Subtotal, Fees and escrows		548,884		
Total, Development Cost		10,559,260		
Return of Equity		465,000		
Total, Development Cost w/ return of E		11,024,260		

Uses			Permanent Sources	
Item		Subtotal		
Land	3,203,383		Bank loan	0
Relocation			TIF bond proceeds	1,404,334
Subtotal, Acquisition		3,203,383	Soft funds	0
Green Roof	355,348		HUD 202/LIHTC equity	0
Store	19,047,479		Property rights sale	7,500,000
Garage	9,226,691		Share, site work	577,854
Infrastructure	1,179,408		Construction contribution	31,797,948
Remediation	471,600		Return of Equity	-
Contingency	1,413,709		Menu funds offset	200,000
Subtotal, Construction:		31,694,235	Total	41,480,136
Owner's Rep	91,667			
Architect: Design	744,567			
Architect: Supervision	253,806			
Architect: Reimbursables	50,761			
Landscaping	94,320			
Landscape architect	6,016			
Inspecting Architect	50,000			
Structural, MEP, Sound Engineers	352,128			
Civil Engineering	46,877			
Developer overhead & fee	907,777			
Legal				
Zoning, TIF, and vertical subdivision	102,180			
Other shared	212,220			
Partnership	4,716			
Other	50,000			
Accounting	10,000			
Appraisal	7,860			
Master developer profit	1,932,017			
Environmental Reports/Testing	58,757			
Market Study				
Permit expediting, permits, util conn	423,789			
Survey	11,004			
Other consulting (Traffic)	13,582			
Consulting, leasing and sales	250,000			
Consulting, approval process	25,000			
Sales/Rental				
Brokerage fee	250,000			
Marketing, advertising, & PR				
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		5,949,044		
Perm Loan Fee	-			
Construction Loan Fee	157,200			
Bond issuance	250,184			
TIF study & financing	3,966			
Construction Period Loan Interest	28,125			
Return on Equity	-			
Construction Period Taxes	25,000			
Construction Period Insurance	25,000			
Title & Recording	4,000			
Soft Cost Contingency	110,000			
Operating/Damage Reserve				
Insurance Escrow	30,000			
Subtotal, Fees and escrows		633,475		
Total, Development Cost		41,480,136		
Return of Equity		-		
Total, Development Cost w/ return of E		41,480,136		

Uses			Permanent Sources	
Item		Subtotal		
Land	949,018		Bank loan	0
Relocation			TIF bond proceeds	1,197,070
Subtotal, Acquisition		949,018	Soft funds	0
Green Roof	98,013		HUD 202/LIHTC equity	0
Construction, Interior	11,983,404		Property rights sale	1,500,000
Construction, Parking			Share, site work	371,027
Infrastructure	349,246		Construction contribution	13,178,350
Remediation	139,650		Return of Equity	-
Contingency	599,170		Menu funds offset	150,000
Subtotal, Construction:		13,169,483	Total	16,396,448
Owner's Rep	70,000			
Architect: Design	111,915			
Architect: Supervision	38,969			
Architect: Reimbursables	7,794			
Landscaping	27,930			
Landscape architect	1,782			
Inspecting Architect	20,000			
Structural, MEP, Sound Engineers	104,272			
Civil Engineering	13,881			
Developer overhead & fee	268,811			
Legal				
Zoning, TIF, and vertical subdivis	30,258			
Other shared	62,843			
Partnership	1,397			
Other deal-specific	25,000			
Accounting	10,000			
Appraisal	2,328			
Master developer profit	767,983			
Environmental Reports/Testing	17,399			
Market Study	10,000			
Permits, expediting, utility conn	202,312			
Survey	3,259			
Other consulting (Traffic)	4,022			
Consulting, leasing and sales	100,000			
Consulting, approval process	10,000			
Sales/Rental				
Brokerage fee	75,000			
Marketing, advertising, & PR				
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		1,987,151		
Perm Loan Fee				
Construction Loan Fee	46,550			
Bond issuance	74,084			
TIF study & financing	1,174			
Construction Period Loan Interest	28,125			
Return on Equity	-			
Construction Period Taxes	26,862			
Construction Period Insurance	25,000			
Title & Recording	4,000			
Soft Cost Contingency	75,000			
Operating/Damage Reserve				
Insurance Escrow	10,000			
Subtotal, Fees and escrows		290,796		
Total Development Cost		16,396,448		
Return of Equity		-		
Total, Development Cost w/ return of E		16,396,448		

WILSON YARD

Garage, Retained by Developer

Uses			Permanent Sources	
Item		Subtotal		
Land	1,436,957		Bank loan	-
Relocation			TIF bond proceeds	10,956,549
Subtotal, Acquisition		1,436,957	Soft funds	-
Green roof	160,872		HUD 202/LIHTC equity	-
Construction, Residential			Property rights sale	-
Construction, Parking	5,573,149		Share, site work	-
Infrastructure	531,184		Construction contribution	350,000
Remediation	212,400		Return of Equity	310,000
Contingency	278,657		Other	-
Subtotal, Construction:		6,756,263	Total	11,616,549
Owner's Rep	91,667			
Architect: Design	373,304			
Architect: Supervision	126,965			
Architect: Reimbursables	25,393			
Landscaping	42,480			
Landscape architect	2,710			
Inspecting Architect	5,000			
Structural, MEP, Sound Engineers	158,592			
Civil Engineering	21,113			
Developer overhead & fee	408,846			
Legal				
Zoning, TIF, and vertical subdivision	46,020			
Other shared	95,580			
Partnership	2,124			
Other	10,000			
Accounting	10,000			
Appraisal	3,540			
Master developer profit	807,237			
Environmental Reports/Testing	26,463			
Market Study				
Permit expediting	115,647			
Survey	4,956			
* Other consulting (Traffic)	6,117			
Consulting, Structure	15,000			
Consulting				
Sales/Rental				
Brokerage fee				
Marketing, advertising, & PR	-			
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		2,398,753		
Perm Loan Fee	-			
Construction Loan Fee	70,800			
* Bond issuance	112,678			
* TIF study & financing	1,786			
Construction Period Loan Interest	14,063			
Return on Equity	39,750			
Construction Period Taxes	25,000			
Construction Period Insurance	25,000			
Title & Recording				
Soft Cost Contingency	115,500			
Operating/Damage Reserve	300,000			
Insurance Escrow	10,000			
Subtotal, Fees and escrows		714,577		
Total, Development Cost		11,306,549		
Return of Equity		310,000		
Total, Development Cost w/ return of E		11,616,549		

WILSON YARD

Surface Parking

Uses			Permanent Sources	
<u>Item</u>		<u>Subtotal</u>		
Land	-		Bank loan	220,000
Relocation	-		TIF bond proceeds	1,932,389
Subtotal, Acquisition		-	Soft funds	-
Green roof	64,349		HUD 202/LIHTC equity	-
Construction, Residential			Property rights sale	-
Construction, Parking	793,750		Share, site work	-
Infrastructure	213,074		Construction contribution	-
Remediation	85,200		Return of Equity	-
Contingency	39,688		Other	-
Subtotal, Construction:		1,196,060	Total	2,152,389
Owner's Rep	23,921			
Architect: Design	28,313			
Architect: Supervision	11,375			
Architect: Reimbursables	1,984			
Landscaping	17,040			
Landscape architect	1,087			
Inspecting Architect	6,000			
Structural, MEP, Sound Engineers	63,616			
Civil Engineering	8,469			
Developer overhead & fee	164,000			
Legal				
Zoning, TIF, and vertical subdivi	18,460			
Other shared	38,340			
Partnership	852			
Other	5,000			
Accounting	10,000			
Appraisal	1,420			
Master developer profit	147,288			
Environmental Reports/Testing	10,615			
Market Study				
Permit expediting	17,701			
Survey	1,988			
Other consulting (TIF, Traffic)	2,068			
Consulting, Structure	15,000			
Consulting				
Sales/Rental				
Brokerage fee				
Marketing, advertising, & PR	-			
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		594,537		
Perm Loan Fee	3,210			
Construction Loan Fee	28,400			
* Bond issuance	45,199			
* TIF study & financing	716			
Construction Period Loan Interest	6,188			
Return on Equity	-			
Construction Period Taxes	5,000			
Construction Period Insurance	5,000			
Title & Recording	3,080			
Soft Cost Contingency	55,000			
Operating/Damage Reserve	200,000			
Insurance Escrow	10,000			
Subtotal, Fees and escrows		361,793		
Total, Development Cost		2,152,389		
Return of Equity		-		
Total, Development Cost w/ return of E		2,152,389		

Uses			Permanent Sources	
Item		Subtotal		
Land	124,447		Bank loan	725,000
Relocation			TIF bond proceeds	238,548
Subtotal, Acquisition		124,447	Soft funds	-
Green roof	5,793		HUD 202/LIHTC equity	-
Construction, Interior	236,325		Property rights sale	-
Construction, Parking			Share, site work	-
Infrastructure	45,766		Construction contribution	-
Remediation	18,300		Return of Equity	465,000
Contingency	11,816		Other	-
Subtotal, Construction:		318,000	Total	1,428,548
Owner's Rep	6,360			
Architect: Design	16,604			
Architect: Supervision	5,752			
Architect: Reimbursables	1,150			
Landscaping	3,660			
Landscape architect	233			
Inspecting Architect	3,000			
Structural, MEP, Sound Engineer	13,664			
Civil Engineering	1,819			
Developer overhead & fee	35,225			
Legal				
Zoning, TIF, and vertical subdiv	3,965			
Other shared	8,235			
Partnership	183			
Other	5,000			
Accounting	10,000			
Appraisal	305			
Master developer profit	68,765			
Environmental Reports/Testing	2,280			
Market Study				
Permit expediting	4,474			
Survey	427			
Other consulting (Traffic)	527			
Consulting, leasing and sales				
Consulting				
Sales/Rental				
Brokerage fee	-			
Marketing, advertising, & PR	10,000			
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		201,629		
Perm Loan Fee	190,500			
Construction Loan Fee	6,100			
Bond issuance	9,708			
TIF study & financing	154			
Construction Period Loan Interest	11,250			
Return on Equity	59,625			
Construction Period Taxes	4,500			
Construction Period Insurance	4,500			
Title & Recording	3,635			
Soft Cost Contingency	24,500			
Operating/Damage Reserve				
Insurance Escrow	5,000			
Subtotal, Fees and escrows		319,472		
Total, Development Cost		963,548		
Return of Equity		465,000		
Total, Development Cost w/ return of E		1,428,548		

Uses			Permanent Sources	
Item		Subtotal		
Land	284,705		Bank loan	1,728,786
Relocation	-		TIF bond proceeds	294,350
Subtotal, Acquisition		284,705	Soft funds	-
Green roof	20,500		HUD 202/LIHTC equity	
Construction, Store	858,550		Property rights sale	
Construction, Parking			Share, site work	-
Infrastructure	104,661		Construction contribution	-
Remediation	41,850		Return of Equity	310,000
Contingency	42,928		Other	-
Subtotal, Construction:		1,068,488	Total	2,333,136
Owner's Rep	21,370			
Architect: Design	33,156			
Architect: Supervision	11,550			
Architect: Reimbursables	2,310			
* Landscaping	8,370			
* Landscape architect	534			
Inspecting Architect	3,000			
Structural, MEP, Sound Engineers	31,248			
Civil Engineering	4,160			
Developer overhead & fee	80,557			
Legal				
Zoning, TIF, and vertical subdivi	9,068			
* Other shared	18,833			
Partnership	419			
Other	5,000			
Accounting	10,000			
Appraisal	698			
Master developer profit	143,895			
Environmental Reports/Testing	5,214			
Market Study	15,000			
Permit expediting	13,985			
Survey	977			
Other consulting (Traffic)	1,205			
Consulting, leasing and sales				
Consulting, approval process				
Sales/Rental				
Brokerage fee	80,680			
Marketing, advertising, & PR	5,000			
Model unit & leasing office				
Other profit				
Subtotal, Professional fees		506,226		
Perm Loan Fee	60,000			
Construction Loan Fee	13,950			
Bond issuance	22,201			
TIF study & financing	352			
Construction Period Loan Interest	14,063			
Return on Equity	7,950			
Construction Period Taxes	5,000			
Construction Period Insurance	5,000			
Title & Recording	5,200			
Soft Cost Contingency	20,000			
Operating/Damage Reserve	-			
Insurance Escrow	10,000			
Subtotal, Fees and escrows		163,716		
Total, Development Cost		2,023,136		
Return of Equity		310,000		
Total, Development Cost w/ return of E		2,333,136		

EXHIBIT J-2

PROJECT BUDGET – PHASE II

See attached.

WILSON YARD

Family Housing

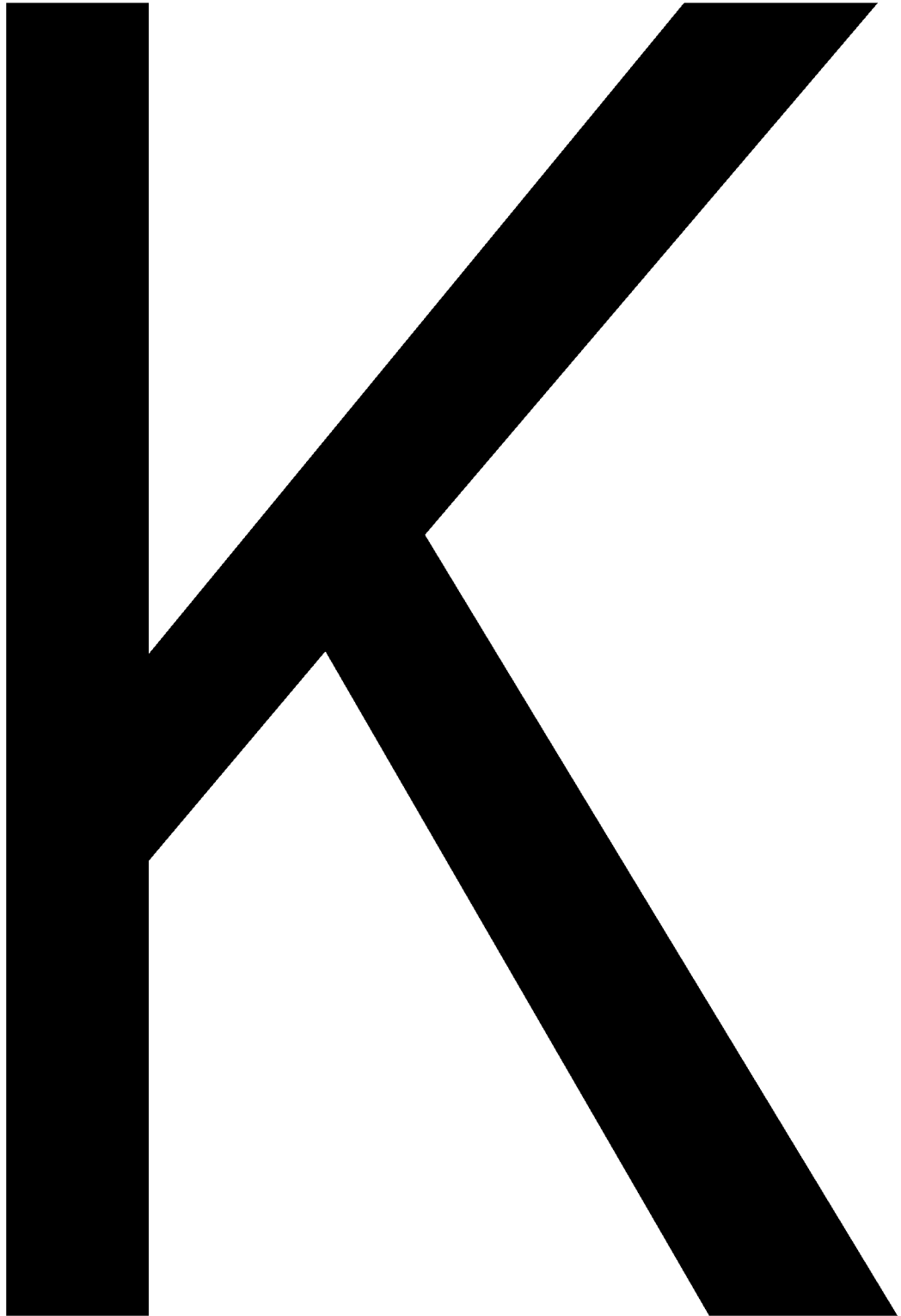
Uses			Permanent Sources	
Item		Subtotal		
Land	1,906,989		IHDA Trust Fund	2,750,000
Relocation			Dougherty Loan against TIF	4,082,620
Subtotal, Acquisition		1,906,989	DOH HOME & Other	1,509,694
Green roof	-		Trust Fund	-
Construction, Residential	16,662,632		FHLB	600,000
Construction, Parking	2,191,800		LIHTC equity	16,998,300
Infrastructure and site work	701,868		Property rights sale	-
Remediation	280,650		Share, site work	-
Contingency	942,722		Construction contribution	-
Subtotal, Construction:		20,779,671	Return of Equity	-
Owner's Rep	175,000		Deferred Developer Fee	361,519
Architect: Design	228,606		Total	26,302,133
Architect: Supervision	99,502			
Architect: Reimbursables	16,907			
* Landscaping	156,130			
* Landscape architect	3,580			
Inspecting Architect	5,000			
Structural, MEP, Sound Engineers	209,552			
Civil Engineer	27,897			
Developer overhead & fee				
Legal				
Zoning, TIF, vertical subdivision	60,808			
* Other shared	126,293			
Partnership	2,807			
Tax credit legal	100,000			
Accounting	20,000			
Appraisal	4,678			
Master developer profit	-			
Environmental Reports/Testing	34,966			
Market Study	10,800			
Permits and expediting	14,968			
Survey	6,549			
Traffic Study	6,810			
Consulting, leasing and sales				
Consulting				
Sales/Rental				
Brokerage fee	-			
Marketing, advertising, & PR	50,000			
Model unit & leasing office	10,000			
Developer fee	1,446,075			
Subtotal, Professional fees		2,816,926		
Perm Loan Fee & TC alloc fee	110,500			
Construction Loan Fee	93,550			
* Bond issuance	148,885			
* TIF study & financing	2,360			
Construction Period Loan Interest	-			
Return on Equity	-			
Construction Period Taxes	24,150			
Construction Period Insurance	26,250			
Title & Recording	10,400			
Lease-up reserve	131,500			
Operating & Repl Reserves	240,952			
Insurance Escrow	10,000			
Subtotal, Fees and escrows		798,547		
Total, Development Cost		26,302,133		
Return of Equity		-		
Total, Development Cost w/ return of E		26,302,133		

EXHIBIT J-3

PROJECT BUDGET – PHASE III

See attached.

Uses			Permanent Sources	
Item		Subtotal		
Land	1,047,501		Private Activity Bond (50% bond)	1,875,000
Relocation			Dougherty Loan against TIF	7,263,155
Subtotal, Acquisition		1,047,501	DOH HOME	2,486,420
Green roof	-		Trust Fund soft loan	750,000
Construction, Residential	13,875,469		FHLB	600,000
Construction, Parking	927,300		LIHTC equity	8,840,305
Infrastructure	385,633		Other	-
Remediation	154,200		Share, site work	-
Contingency	740,138		Construction contribution	-
Subtotal, Construction:		16,082,741	Return of Equity	-
Owner's Rep	175,000		<u>Deferred Developer Fee</u>	-
Architect: Design	268,427		Total	21,814,880
Architect: Supervision	59,683			
Architect: Reimbursables	11,937			
* Landscaping	30,840			
* Landscape architect	1,967			
Inspecting Architect	10,000			
Structural, MEP, Sound Engineers	115,136			
Civil and Vibration Engineering	15,327			
Legal				
Zoning, TIF, and vertical subdivis	33,410			
* Other shared	69,390			
Partnership	1,542			
Other	125,000			
Accounting	20,000			
Appraisal	2,570			
Master developer profit	-			
Environmental Reports/Testing	19,212			
Market Study	12,000			
Permits and expediting	8,224			
Survey	3,598			
* Other consulting (Traffic)	4,441			
Consulting, Structure	-			
Other profit	-			
Sales/Rental	-			
Brokerage fee	-			
Marketing, advertising, & PR	50,000			
Model unit & leasing office	10,000			
Developer fee	1,514,994			
Subtotal, Professional fees		2,562,698		
Perm Loan Fee	69,731			
Construction Loan Fee	51,400			
* TIF Loan & private activity Bond issue	247,247			
* TIF study & financing	1,297			
Construction Period Loan Interest	1,233,115			
Return on Equity	-			
Construction Period Taxes	10,000			
Construction Period Insurance	100,000			
Title & Recording	9,000			
Lease-up reserve	244,519			
Operating Reserve	145,632			
Insurance Escrow	10,000			
Subtotal, Fees and escrows		2,121,940		
ARC DSR		-		
Total, Development Cost		21,814,880		
Return of Equity		-		
Total, Development Cost w/ return of E		21,814,880		



Wilson Yard - M/WBE Budget by Phase

Total Budget <i>Phases I, II, III</i>	Target/Theater/Garage <i>Phase I</i>	Family <i>Phase II</i>	Seniors <i>Phase III</i>
<i>Soft Costs</i>			
Architecture 1,079,116	72% 775,704	14% 152,046	14% 151,366
Engineer 545,877	71% 387,675	19% 102,103	10% 56,099
Legal 589,231	62% 365,954	21% 124,660	17% 98,617
Other soft costs 1,548,163	77% 1,193,076	14% 210,657	9% 144,430
Subtotal 3,762,387	72% 2,722,408	16% 589,466	12% 450,513
<i>Hard Costs</i>			
Infrastructure 4,115,923	74% 3,028,422	17% 701,868	9% 385,633
Demo 433,000	74% 318,594	17% 73,837	9% 40,569
Green roof/landscaping 1,228,997	91% 1,123,310	6% 68,210	3% 37,477
Garage 11,306,549	100% 11,306,549	0% -	0% -
Building Shell 27,767,981	74% 20,431,179	17% 4,735,135	9% 2,601,667
Subtotal 44,852,451	81% 36,208,054	12% 5,579,050	7% 3,065,347
TOTAL \$ 48,614,838	\$ 38,930,463	\$ 6,168,516	\$ 3,515,859

No green roof on affordable components.

EXHIBITS K-1, K-2 and K-3



EXHIBIT L

APPROVED PRIOR EXPENDITURES

	Summary of Costs
	Previously Paid
Housing soft costs	
DESMAN - structural engineering	17,250.88
Spaceco - civil engineering	7,798.87
FitzGerald Associates - architecture	195,549.58
Environmental Reports/Testing	
Levine, Fricke, Recon, Inc.	9,725.59
Ground Engineering Consultants	10,180.00
Civil and Environmental Consultants	16,491.37
A&TT - Construction & devel contracts	-
Land	
A&TT - land acquisition & leasing	55,000.00
Montrose	70,000.00
CTA (excluding City portion)	-
UPLC (Azusa Bldg)	2,000.00
Total	383,996.29

M

EXHIBIT M

OPINION OF DEVELOPERS' COUNSEL

[To be retyped on the Developer's Counsel's letterhead]

—, —

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an Illinois limited liability corporation (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Wilson Yard Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Organization, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Operating Agreement, as amended to date, and (iv) records of all member's and manager's meetings relating to the Project; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign entity under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.
2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's Articles of Organization or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).
3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.
4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.
5. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority

or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

6. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

7. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

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

9. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois and Delaware.

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By: _____

Name: _____

N

EXHIBIT N

PRELIMINARY TIF PROJECTION – REAL ESTATE TAXES

See attached.

TABLE 2: Preliminary Estimated Incremental Property Taxes -- Project Site Only

Wilson Yards TIF Redevelopment Project Area
City of Chicago, Illinois

(In 2003 Dollars)

discount rate:
6.0%

Estimated EAV on Land and Improvements

Assessment Year	Collection Year	Target Big Box	Movie Theatres	Senior Affordable Housing	LIHTC Co-op Units + Retail	Ajdi	Other Retail	Azusa retail	Parking Spaces (EAV included in Theatre EAV)	EAV of Not-Yet-Redeveloped portion of Project Site	Total Estimated EAV	Base EAV	Incremental EAV	Tax Rate	Incremental Revenue Generated and Collected	Cumulative Revenue Collected	Present Value of Incr. Revenue Collected	
0	2001	2002	-	-	-	500,300	-	-	-	441,105	941,405	846,330	95,075	7.692%	7,000	7,000	7,000	
1	2002	2003	-	-	-	534,761	-	-	-	471,488	1,006,250	846,330	159,920	7.277%	11,000	18,000	11,000	
2	2003	2004	-	-	-	562,141	-	-	-	495,628	1,057,769	846,330	211,439	6.390%	13,000	31,000	13,000	
3	2004	2005	-	-	-	562,141	-	-	-	495,628	1,057,769	846,330	211,439	6.220%	13,000	44,000	13,000	
4	2005	2006	-	-	-	562,141	-	-	-	982,669	1,544,809	846,330	698,479	6.200%	42,000	86,000	39,623	
5	2006	2007	-	-	-	1,071,411	-	-	-	1,058,227	2,129,638	846,330	1,283,308	5.870%	74,000	160,000	65,860	
6	2007	2008	13,708,844	3,990,362	721,518	1,071,411	88,400	265,201	-	-	19,843,736	846,330	18,999,406	5.990%	1,115,000	1,275,000	936,176	
7	2008	2009	13,708,844	3,990,362	721,518	1,071,411	353,601	1,060,803	-	-	20,906,540	846,330	20,060,210	6.110%	1,201,000	2,476,000	951,304	
8	2009	2010	14,762,926	4,297,183	776,996	1,153,793	380,790	1,142,369	-	-	22,514,057	846,330	21,667,727	5.790%	1,229,000	3,705,000	918,380	
9	2010	2011	14,762,926	4,297,183	776,996	1,153,793	380,790	1,142,369	-	-	22,514,057	846,330	21,667,727	5.900%	1,253,000	4,958,000	883,316	
10	2011	2012	14,762,926	4,297,183	776,996	1,153,793	380,790	1,142,369	-	-	22,514,057	846,330	21,667,727	6.020%	1,278,000	6,236,000	849,943	
11	2012	2013	15,898,056	4,627,596	836,740	1,242,509	410,069	1,230,207	-	-	24,245,176	846,330	23,398,846	5.700%	1,307,000	7,543,000	820,028	
12	2013	2014	15,898,056	4,627,596	836,740	1,242,509	410,069	1,230,207	-	-	24,245,176	846,330	23,398,846	5.820%	1,335,000	8,878,000	790,184	
13	2014	2015	15,898,056	4,627,596	836,740	1,242,509	410,069	1,230,207	-	-	24,245,176	846,330	23,398,846	5.930%	1,360,000	10,238,000	759,417	
14	2015	2016	17,120,468	4,983,415	901,077	1,338,046	441,599	1,324,798	-	-	26,109,403	846,330	25,263,073	5.620%	1,391,000	11,629,000	732,761	
15	2016	2017	17,120,468	4,983,415	901,077	1,338,046	441,599	1,324,798	-	-	26,109,403	846,330	25,263,073	5.730%	1,419,000	13,048,000	705,200	
16	2017	2018	17,120,468	4,983,415	901,077	1,338,046	441,599	1,324,798	-	-	26,109,403	846,330	25,263,073	5.850%	1,448,000	14,496,000	678,879	
17	2018	2019	18,436,871	5,366,593	970,362	1,440,929	475,554	1,426,663	-	-	28,116,972	846,330	27,270,642	5.540%	1,481,000	15,977,000	655,048	
18	2019	2020	18,436,871	5,366,593	970,362	1,440,929	475,554	1,426,663	-	-	28,116,972	846,330	27,270,642	5.650%	1,510,000	17,487,000	630,070	
19	2020	2021	18,436,871	5,366,593	970,362	1,440,929	475,554	1,426,663	-	-	28,116,972	846,330	27,270,642	5.760%	1,535,000	19,026,000	605,822	
20	2021	2022	19,854,494	5,779,233	1,044,973	1,551,723	512,120	1,536,360	-	-	30,278,903	846,330	29,432,573	5.460%	1,575,000	20,601,000	584,899	
21	2022	2023	19,854,494	5,779,233	1,044,973	1,551,723	512,120	1,536,360	-	-	30,278,903	846,330	29,432,573	5.570%	1,607,000	22,208,000	563,002	
22	2023	2024	19,854,494	5,779,233	1,044,973	1,551,723	512,120	1,536,360	-	-	30,278,903	846,330	29,432,573	5.680%	1,638,000	23,846,000	541,380	
23	2024	2025	21,381,118	6,223,602	1,125,322	1,671,036	551,497	1,654,491	-	-	32,607,067	846,330	31,760,737	5.380%	1,675,000	25,521,000	522,273	
Total																\$25,521,000	\$25,521,000	\$13,277,565
Redevelopment Quantity:		180,000	83,000	70	70	15,150	5,000	15,000	350									
		sq. ft.	sq. ft.	units	units	sq. ft.	sq. ft.	sq. ft.	spaces									

Base EAV is the estimated Base EAV of the Project.
* Reassessment year

- Assumptions:**
- The estimated future State Equalization Factor of 2.4689 is based on the assessment year 2003 estimate prepared by Cook County Assessor James Houlihan, disclosed in the *Chicago Tribune* on January 27, 2004.
 - The future tax rates are based upon estimates prepared by SB Friedman and Company.
Actual tax rates are used for 2001 and 2002.
 - Annual inflation rate of 2.5%, realized only in triennial reassessment years (at 7.69% per triennial period). This matches the assumption used in SB Friedman and Co.'s estimates of future tax rates for the City of Chicago.
 - The redevelopment project assumptions are based upon information received from Holsten Real Estate Development Corporation.
 - A collection rate of 98.0% is assumed throughout the lifetime of the TIF.

TABLE 3: Preliminary Estimated Incremental Property Taxes -- ENTIRE TIF

Wilson Yards TIF Redevelopment Project Area

City of Chicago, Illinois

Year	TIF Assessment Year	Collection Year	Total EAV (Land and Improvements)										Present Value of Incr. Revenue Collected		
			Holsten Redevelopment Project	SEC Margolis / Broadway / Montrose	SWC	NWC	Land / Sheridan / Montrose	NEC Racine / Wilson	336 W. Montrose	Remainder of Wilson Yard TIF EAV	TIF EAV	Base EAV		Incremental EAV	
2001	2002	2002	946,979	-	-	-	-	-	-	-	75,555,567	83,858,631	75,555,567	1,548,000	1,548,000
2002	2003	2003	1,012,207	-	-	-	-	-	-	-	80,346,631	81,370,838	80,346,631	3,660,000	1,812,000
2003	2004	2004	1,064,032	-	-	-	-	-	-	-	84,446,947	85,510,978	84,446,947	1,851,000	1,851,000
2004	2005	2005	1,064,032	-	-	-	-	-	-	-	85,510,978	86,550,767	85,510,978	1,801,000	1,801,000
2005	2006	2006	1,544,809	1,760,024	3,202,227	2,563,222	413,418	83,860,584	94,312,061	55,960,211	38,351,850	62,200%	9,342,000	2,198,113	
2006	2007	2007	2,129,628	2,541,748	4,632,993	3,708,680	1,046,465	90,308,677	103,665,724	55,960,211	49,303,513	5.870%	2,836,000	2,524,030	
2007	2008	2008	19,845,736	2,541,748	4,632,993	3,708,680	1,046,465	90,308,677	122,979,822	55,960,211	67,019,611	5.990%	3,934,000	3,303,062	
2008	2009	2009	20,906,540	2,541,748	4,632,993	3,708,680	1,046,465	90,308,677	124,040,626	55,960,211	68,080,415	6.110%	4,077,000	3,229,366	
2009	2010	2010	22,314,057	2,751,794	5,024,289	4,021,965	1,131,311	97,252,567	133,665,477	55,960,211	77,705,266	5.790%	4,409,000	3,294,661	
2010	2011	2011	22,314,057	2,751,794	5,024,289	4,021,965	1,131,311	97,252,567	133,665,477	55,960,211	77,705,266	5.900%	4,493,000	3,167,388	
2011	2012	2012	22,314,057	2,751,794	5,024,289	4,021,965	1,131,311	969,495	133,665,477	55,960,211	77,705,266	6.020%	4,584,000	3,048,622	
2012	2013	2013	24,245,176	2,977,990	5,445,672	4,359,340	1,222,681	104,730,378	144,030,389	55,960,211	88,070,178	5.700%	4,920,000	3,086,869	
2013	2014	2014	24,245,176	2,977,990	5,445,672	4,359,340	1,222,681	104,730,378	144,030,389	55,960,211	88,070,178	5.820%	5,023,000	2,973,106	
2014	2015	2015	24,245,176	2,977,990	5,445,672	4,359,340	1,222,681	104,730,378	144,030,389	55,960,211	88,070,178	5.930%	5,118,000	2,857,864	
2015	2016	2016	26,109,403	3,221,579	5,899,455	4,722,655	1,321,076	112,783,162	153,192,266	55,960,211	99,222,055	5.620%	5,465,000	2,878,894	
2016	2017	2017	26,109,403	3,221,579	5,899,455	4,722,655	1,321,076	112,783,162	153,192,266	55,960,211	99,222,055	5.730%	5,572,000	2,769,113	
2017	2018	2018	26,109,403	3,221,579	5,899,455	4,722,655	1,321,076	112,783,162	153,192,266	55,960,211	99,222,055	5.850%	5,689,000	2,667,225	
2018	2019	2019	28,116,972	3,483,897	6,388,130	5,113,905	1,427,037	121,455,130	167,212,386	55,960,211	111,252,175	5.650%	6,160,000	2,671,498	
2019	2020	2020	28,116,972	3,483,897	6,388,130	5,113,905	1,427,037	121,455,130	167,212,386	55,960,211	111,252,175	5.760%	6,280,000	2,472,099	
2020	2021	2021	30,278,903	3,766,385	6,914,379	5,535,239	1,541,146	130,793,891	180,156,741	55,960,211	124,196,530	5.570%	6,779,000	2,468,088	
2021	2022	2022	30,278,903	3,766,385	6,914,379	5,535,239	1,541,146	130,793,891	180,156,741	55,960,211	124,196,530	5.680%	6,914,379	2,284,936	
2022	2023	2023	32,607,067	4,070,594	7,481,093	5,988,970	1,664,028	140,850,715	194,096,396	55,960,211	138,136,185	5.380%	7,283,000	2,270,874	
2023	2024	2024	32,607,067	4,070,594	7,481,093	5,988,970	1,664,028	140,850,715	194,096,396	55,960,211	138,136,185	5.490%	7,418,000	2,270,874	
2024	2025	2025	32,607,067	4,070,594	7,481,093	5,988,970	1,664,028	140,850,715	194,096,396	55,960,211	138,136,185	5.600%	7,553,000	2,270,874	

Base EAV is the Certified Initial EAV of the Wilson Yards TIF Redevelopment Project Area. * Reassessment Year

- Assumptions:
- The estimated future State Equalization Factor of 2.4689 is based on the value for assessment year 2002.
 - The future tax rates are based upon estimates prepared by SB Friedman and Company.
 - Annual tax rates are used for 2001 and 2002. Residential Unit Tax Exemptions: The model assumes that 100% of the for-sale units receive the Homeowner's Exemption (\$4,500 EAV reduction) and 10% of the for-sale units receive the Senior's Exemption (\$2,500 EAV reduction).

- A collection rate of 98.0% is assumed throughout the lifetime of the TIF.
- The redevelopment project assumptions are based upon information received from Holsten Real Estate Development Corporation and from Aldermen Shiller's office.

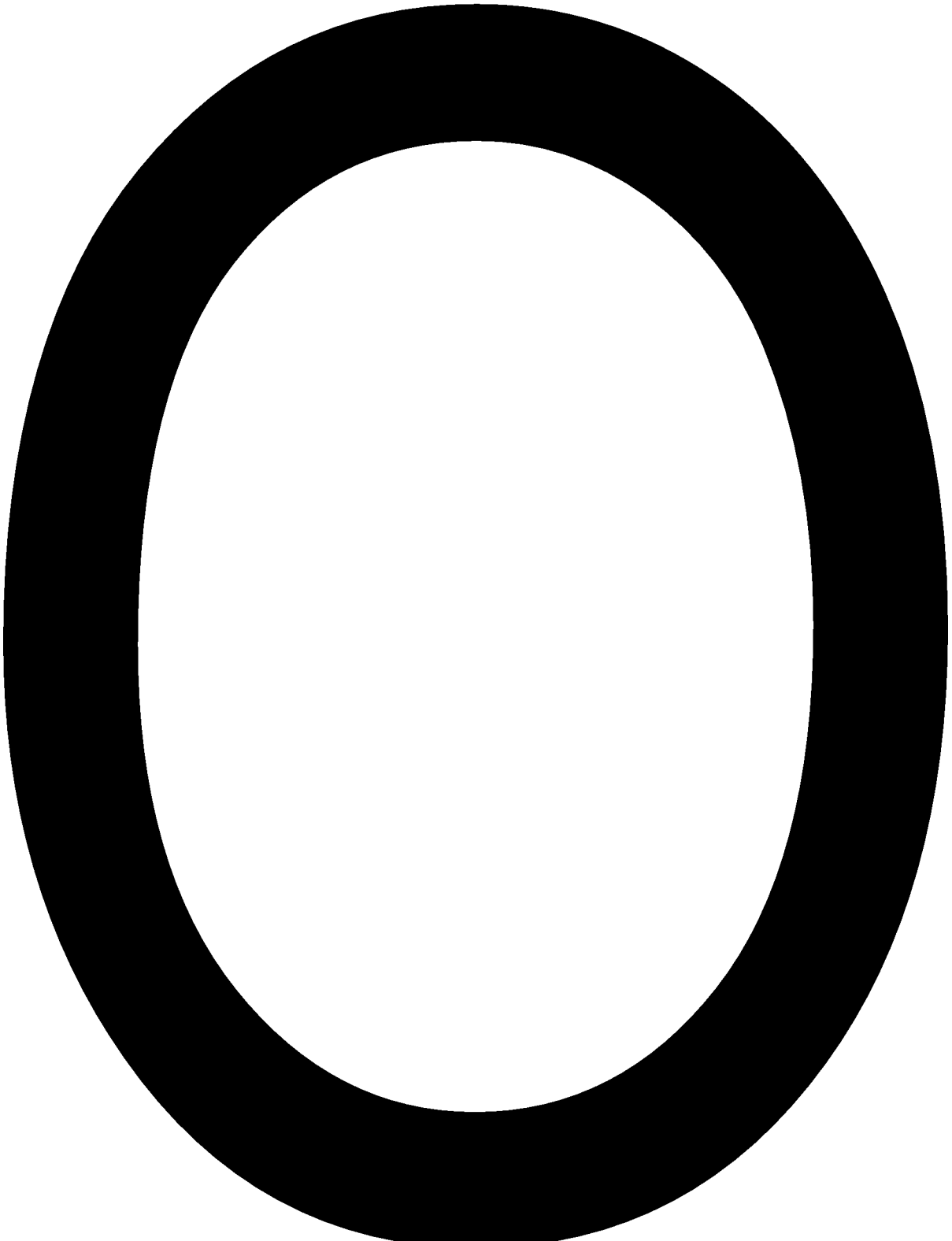


EXHIBIT O

PUBLIC BENEFITS PROGRAM

The new Aldi store to be located on the Wilson Yard property will include illuminated display windows facing Broadway. The Master Developer will support the use of these windows by the students at the Uplift Community School for the display of student work and student community projects over 20 years. The windows also may be used to display the work of community artists. It is estimated that the cost of this program is approximately \$50,000.

P

EXHIBIT P

PLEDGE AGREEMENT

See attached.

PLEDGE AGREEMENT

This Pledge Agreement, dated as of November __, 2005 (together with any amendments or supplements hereto, this "Agreement"), is made by and among the CITY OF CHICAGO, an Illinois municipal corporation (the "City"), WILSON YARD DEVELOPMENT I LLC, an Illinois limited liability company (the "Master Developer" or the "Borrower"), WILSON YARD PARTNERS, LP, an Illinois limited partnership (the "LIHTC Entity"), WILSON YARD DEVELOPMENT CORPORATION, an Illinois corporation (the "General Partner"), WILSON YARD SENIOR HOUSING, L.P., an Illinois limited partnership ("Senior Developer"), WILSON YARD SENIOR DEVELOPMENT CORPORATION, an Illinois corporation ("Senior General Partner"), and GREATER ILLINOIS TITLE COMPANY, a _____, as Escrow Agent (the "Escrow Agent").

WITNESSETH:

Whereas, pursuant to a Wilson Yard Redevelopment Project Area Redevelopment Agreement dated as of November __, 2005 (the "TIF Redevelopment Agreement") by and among the City, the Master Developer, the LIHTC Entity, the General Partner, the Senior Developer and the Senior General Partner, the City has agreed to issue Tax Increment Allocation Revenue Notes in the aggregate principal amount of the \$30,565,313 (collectively referred to herein as the "TIF Notes") to the Master Developer, the General Partner and the Senior General Partner to finance a portion of the costs of the Wilson Yard Project (the "Project"); and

Whereas, Dougherty Funding, LLC (the "Lender") has agreed (or has issued a commitment letter evidencing its intention) to make a loan in the principal amount of \$34,777,000 to the Master Developer (the "Construction Loan"), and the Master Developer has agreed to apply the proceeds of the Construction Loan in part to make a loan in the principal amount of approximately \$4,082,620 to the General Partner (the "LIHTC Loan") and a loan in the principal amount of approximately \$7,263,155 to the Senior General Partner (the "Senior Developer Loan"); and

Whereas, as an inducement to making the Construction Loan, the LIHTC Loan and the Senior Developer Loan, the Borrower, the General Partner and the Senior General Partner have agreed to pledge to Lender, on a collateral basis to secure the Construction Loan, their rights to receive payments of principal and interest on the TIF Notes; and

Whereas, the Borrower is not entitled to receipt of interest on the TIF Notes until the issuance of an applicable Certificate (as defined in the TIF Redevelopment Agreement), but the City hereby agrees to deposit interest payments, on the terms set forth herein, as an inducement to the Lender to make the Construction Loan; and

Whereas, as a condition of making the Construction Loan, Lender has required, and the City has agreed pursuant to the TIF Redevelopment Agreement, that the City make payments of interest accruing on the TIF Notes prior to completion of the Project during the period (the "Interest Payment Period") beginning on the date of issuance of the TIF Notes and continuing

through the earlier to occur of (i) the completion of the Project or (ii) the fourth anniversary of the date of issuance, with the payment of such interest by the City during the Interest Payment Period to be subject to the terms set forth in the TIF Redevelopment Agreement (the interest accruing on the TIF Notes and paid by the City during the Interest Payment Period less the Remarketing Costs Interest Component referred to below for such Interest Payment Period is referred to herein as the "Pre-Completion TIF Interest"); and

Whereas, as a condition of making the Construction Loan, Lender has required, and the City hereby agrees, that the Pre-Completion TIF Interest will be deposited by the City into an escrow account established pursuant to this Agreement; and

Whereas, all principal of and interest on the Construction Loan will be due and payable not later than the fifth anniversary of the closing of the Construction Loan, and if the City has not issued TIF Bonds pursuant to Section 4.03(c) of the TIF Redevelopment Agreement prior to that date, it will be necessary for Lender to place a new, refinancing loan for the purpose of paying such maturing principal; and

Whereas, in order to provide for the payment of costs of placing such new, refinancing loan, and as security for the holders of the Construction Loan, a portion of the interest on the TIF Notes in the amount of eighty-three (83) basis points per annum (the "Remarketing Costs Interest Component"), accruing prior to the maturity of the Construction Loan, will be held in an escrow account established pursuant to this Agreement;

Whereas, when deposited into an escrow account hereunder, the Pre-Completion TIF Interest and the Remarketing Costs Interest Component shall be held as security for the payment of the principal of and interest on the Construction Loan;

Whereas, on the date hereof, the Construction Loan has not yet been made, but Lender will be added as a party to this Agreement upon the closing of the Construction Loan; this Agreement is being executed prior to the closing of the Construction Loan to evidence the City's agreement to make payments of Pre-Completion TIF Interest that accrue after issuance of the TIF Notes, whether or not the Construction Loan has closed at the time of accrual;

Now, Therefore, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, the parties to this Pledge Agreement agree as follows:

Article I

Representations and Warranties

Section 1.01. Representations and Warranties. Each of the parties to this Agreement represents and warrants as to itself to the other parties to this Agreement that:

(a) it has full power and authority to enter into, execute, deliver and perform its obligations under this Agreement;

(b) the execution and delivery of this Agreement has been duly authorized by all necessary corporate or governmental action of the party;

(c) when executed and delivered by each of the other parties hereto, this Agreement will constitute the valid and legally binding obligation of the party, enforceable against it in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally, the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies, and the reasonable exercise in the future by the State and its governmental bodies of the police and taxing powers inherent in the sovereignty of the State;

(d) no consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body which has not been obtained on or before the execution and delivery of this Agreement is required for the execution and delivery of this Agreement or the consummation by the party of the transactions and obligations effected or contemplated by this Agreement; and

(e) the execution, delivery and performance of this Agreement and compliance with the provisions hereof by the party do not and will not conflict with or constitute on the part of the party a breach of or a default under any existing law, regulation, decree, order or resolution, or any agreement, indenture, mortgage, lease or other instrument, to which the party is subject or by which it is bound.

ARTICLE II

Deposits into Escrow Account

Section 2.01. Establishment of Principal Amounts of the TIF Notes. The City agrees to increase the principal amount of the TIF Notes pursuant to Section [4.04] and the other terms and conditions of the TIF Redevelopment Agreement.

Section 2.02. Deposit of Pre-Completion TIF Interest into Escrow Account. The City agrees to deposit the Pre-Completion TIF Interest into the Capitalized Interest Subaccount of the Escrow Account (defined below) on an annual basis during the Interest Payment Period, pursuant to Section 4.03 and the other terms and conditions of the TIF Redevelopment Agreement. After the Interest Payment Period, the City will pay interest on the TIF Notes as set forth in the TIF Notes and the TIF Redevelopment Agreement.

Section 2.03. Deposit of Remarketing Costs Interest Component into Escrow Account. The City acknowledges that it will pay interest on the TIF Notes as set forth in the TIF Notes and the TIF Redevelopment Agreement, and agrees to deposit the Remarketing Costs Interest Component into the Remarketing Costs Subaccount of the Escrow Account (defined below) on an annual basis.

ARTICLE III

Escrow Account

Section 3.01. Creation of Escrow Fund. An escrow account (the “Escrow Account”), consisting of a Capitalized Interest Subaccount and a Remarketing Costs Subaccount is hereby established with the Escrow Agent for the purposes and uses, and subject to the liens, limitations and requirements, set forth in this Escrow Agreement. Amounts on deposit in the Escrow Account shall be deposited into and disbursed from the Escrow Account strictly in accordance with the terms of this Agreement.

Section 3.02. Calculation of Amounts; Deposit of Funds. (a) Not less than 15 days prior to each interest payment date on the City Notes, Lender shall give notice to the City, with a copy to the Escrow Agent and the Borrower, of the amount of interest due which represents the Remarketing Costs Interest Component, and the amount of interest due which represents Pre-Completion TIF Interest.

(b) All deposits by the City into the Escrow Account shall be by wire transfer (or certified or cashier’s check) in immediately available funds to the Escrow Agent’s account at the following address (or to such other address as designated in writing by the Escrow Agent to the City): Account _____, ABA # _____, Attention: _____. The City shall also give notice of any deposit to Lender, the Borrower and the Escrow Agent.

(c) The Borrower and the City covenant and agree that the deposit of Pre-Completion TIF Interest into the Escrow Account is a condition precedent to the disbursement of proceeds of the Construction Loan to the Borrower subsequent to the scheduled date of such deposit.

(d) All investment earnings from moneys held in the subaccounts of the Escrow Account shall be credited to and retained in such subaccount of the Escrow Account upon receipt by the Escrow Agent. Moneys held in the Escrow Account shall be used for the purposes provided in Section 3.06 of this Agreement.

Section 3.03. Deposit Irrevocable. The deposit of Pre-Completion TIF Interest and the Remarketing Costs Interest Component into the Escrow Account shall constitute an irrevocable deposit for the benefit of Lender, as the holder (on a collateral basis) of the TIF Notes, subject to the terms of this Agreement which specifically permit the disbursement or use of moneys held in the Escrow Account or the disposition of any excess moneys as permitted by Sections 3.06 and 3.07. All Pre-Completion TIF Interest and Remarketing Costs Interest Component deposited into the Escrow Account shall be held in trust for the payment of the Construction Loan, subject, however, to the terms, conditions and requirements of this Agreement.

Section 3.04. Investment of Escrowed Funds. (a) Moneys in the Escrow Account shall be invested and reinvested in investments (as directed by Lender, with the consent of Borrower, which consent will not be unreasonably withheld) having maturities consistent with the timing of anticipated disbursement of funds from the Escrow Account pursuant to Sections 3.06 and 3.07 below.

(b) At the time any moneys in any fund held in the Escrow Account are invested, the Escrow Agent shall record the following information (if applicable) for each obligation in which such moneys are invested:

- (i) the purchase date of the obligation;
- (ii) the purchase price of the obligation;
- (iii) the accrued interest due on the obligation's purchase date;
- (iv) the face amount of the obligation; and
- (v) the coupon rate of the obligation.

(c) The Escrow Agent shall keep full, complete and accurate records of the amount and date of all sums earned from the investment of moneys deposited in the Escrow Account and shall send copies of such records and the information described in this subsection to Lender and the Borrower promptly, but not more often than monthly.

Section 3.05. Security Interest in Escrow Account. The Pre-Completion TIF Interest and Remarketing Costs Interest Component and any other moneys deposited with the Escrow Agent pursuant to this Agreement or held in the Escrow Account (including, without limitation, investment earnings on such moneys) shall be held by the Escrow Agent pursuant to the terms of this Agreement for the benefit, security and protection of Lender with respect to the Construction Loan. The City and the Borrower each hereby grants to Lender (and its assignees) a lien on and security interest in all moneys held in the Escrow Account (once the Construction Loan is made).

The Borrower shall perfect any security interest created under this Escrow Agreement by the filing of financing statements which fully comply with the Illinois Uniform Commercial Code—Secured Transactions. The Borrower further agrees that all necessary continuation statements shall be filed within the time prescribed by the Illinois Uniform Commercial Code, in order to continue any security interest created by this Agreement, and the Escrow Agent agrees to make such filings on a timely basis.

If, at any time, any of the information contained in any financing statement filed in connection with any security interests created by this Agreement, including, without limitation, the description of the collateral, shall change in such manner as to cause such financing statement to become misleading in any material respect or as may impair the perfection of the security interests intended to be created hereby, then the Borrower shall promptly prepare an amendment to such financing statement as may be necessary to continue the perfection of the security interest intended to be created hereby, obtain the signatures of the debtor and secured party upon such amendment (if necessary) and file the same in any office where such amendment is required to be filed to continue the perfection of the security interest intended to be created hereby. The Borrower shall pay all costs and expenses incurred in connection with the performance of the obligations set forth in this paragraph.

Section 3.06. Disbursement of Funds From Escrow Account. (a) All moneys received or held by the Escrow Agent pursuant to the terms of this Agreement shall be disbursed by the Escrow Agent solely for the following purposes:

(i) Upon the earlier to occur of issuance of the Phase I Certificate (as defined in the TIF Redevelopment Agreement) or the end of the Interest Payment Period, all funds in the Capitalized Interest Subaccount of the Escrow Account will be paid as directed by the Borrower, which has agreed (or will agree) with Lender pursuant to the loan documents executed in connection with the Construction Loan that all such funds shall be paid to Lender in prepayment of the Construction Loan; and.

(ii) Upon the earlier to occur of issuance of the Phase II Certificate (as defined in the TIF Redevelopment Agreement) or the end of the Interest Payment Period, all funds in the Capitalized Interest Subaccount of the Escrow Account will be paid as directed by the Borrower, which has agreed (or will agree) with Lender pursuant to the loan documents executed in connection with the Construction Loan that all such funds shall be paid to Lender in prepayment of the Construction Loan; and

(iii) Upon the earlier to occur of issuance of the Phase III Certificate (as defined in the TIF Redevelopment Agreement) or the end of the Interest Payment Period, all funds in the Capitalized Interest Subaccount will be paid as directed by the Borrower, which has agreed (or will agree) with Lender pursuant to the loan documents executed in connection with the Construction Loan that all such funds shall be paid to Lender in prepayment of the Construction Loan; provided, that such loan payment shall not cause the principal amount of the Construction Loan to be reduced below the aggregate outstanding principal amount of the City Notes (as such term is defined in the TIF Redevelopment Agreement).

(iv) Subject to the uses set forth in clauses (i), (ii) and (iii) of this Section, any remaining funds in the Capitalized Interest Subaccount of the Escrow Account will be disbursed to the City.

(v) Amounts on deposit in the Remarketing Costs Subaccount of the Escrow Account shall be applied to the payment of costs of placing any new, refinancing loan for the purpose of paying the Construction Loan or any loan or loans made to refinance the Construction Loan at maturity, upon a certificate and request from Lender to the City and the Escrow Agent, setting forth the amount of such costs. Any amounts on deposit in the Remarketing Costs Subaccount at such time as all amounts due and payable to the Lender with respect to the Construction Loan or any loan or loans made to refinance the Construction Loan have been paid in full will be disbursed to the City.

(b) Upon certification from Lender that there exists an event of default with respect to the Construction Loan, the Escrow Agent shall immediately transfer all amounts on deposit in the Capitalized Interest Subaccount of the Escrow Account to Lender for application to the payment of the Construction Loan.

(c) The Escrow Agent is authorized and directed, without any further authorization or direction from any of the other parties to this Agreement, to disburse immediately moneys held in the Escrow Account for the purposes and uses described in subsection (a) and (b) above.

Section 3.07. Term; Disposition of Excess Moneys in the Escrow Account. (a) This Agreement shall become effective upon its execution and delivery and shall terminate upon payment in full of the Construction Loan.

(b) Upon the termination of this Agreement any moneys remaining in the Escrow Account, after all disbursements set forth in Section 3.06 above have been made, shall be returned to the City.

Section 3.08. Control of Escrow Account. By its execution of this Agreement, the Borrower and the City hereby authorize and direct the Escrow Agent, and the Escrow Agent hereby agrees, that, subject in all respects to the terms and provisions of this Agreement, (i) the Escrow Agent will comply with all instructions of Lender with respect to the Escrow Account without further consent by the Borrower or the City, (ii) only Lender shall have the ability (without the consent or agreement of the Borrower or City) to withdraw, or direct the withdrawals of, funds from the Escrow Account, (iii) neither the Borrower nor the City shall have any right to exercise any authority of any kind with respect to the Escrow Account and the funds deposited therein, and (iv) by their execution of this Agreement, the Borrower and the City hereby authorize and direct the Escrow Agent to forward funds from the Escrow Account as directed by Lender.

ARTICLE IV

The Escrow Agent

Section 4.01. Duties of Escrow Agent. (a) The Escrow Agent hereby accepts the duties and obligations hereby created and agrees to perform and execute such duties and obligations upon the terms set forth in this Agreement.

(b) The Escrow Agent may perform the duties required of it hereunder by or through attorneys, agents, receivers or employees and shall be entitled to advice of counsel concerning all matters relating to its duties and obligations hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care. The Escrow Agent shall not be answerable for the exercise of any discretion or power under this Agreement, except only for its own willful misconduct or gross negligence.

(c) The Escrow Agent shall be entitled to payment and/or reimbursement by the Borrower for reasonable fees for its services rendered hereunder, and all counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with such services. Such fees shall not be paid from the Escrow Account. The Borrower agrees to indemnify and hold the Escrow Agent, its officers, employees, directors and agents harmless from and against any and all losses, costs, expenses, claims and liabilities whatsoever (including, without limitation, fees and expenses of attorneys) which may be imposed on, asserted against or incurred by the Escrow Agent related to or arising from the acceptance and performance by the Escrow Agent of its duties hereunder. The obligations of the Borrower under this Section shall survive the termination or discharge of this Agreement.

(d) The Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any resolution, notice, telegram, request,

consent, waiver, certificate, statement, affidavit, voucher, note, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Agreement, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements, and shall be protected and shall incur no liability in acting or proceeding in good faith in reliance thereon.

(e) The Escrow Agent may in good faith buy, sell, own, hold and deal in any of the notes evidencing the Construction Loan and may join in any action which any holder of such notes may be entitled to take with like effect as if the Escrow Agent were not a party to this Agreement. The Escrow Agent, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or any related entity.

(f) The Escrow Agent may resign and be discharged of its duties and obligations hereunder by executing an instrument of resignation in writing specifying the date when such resignation shall take effect, and delivering the same to each of the other parties to this Agreement and not less than 15 days before the date specified in such instrument when such resignation shall take effect. Such resignation shall take effect at such time as a successor Escrow Agent shall be appointed and shall have accepted such appointment as hereinafter provided.

(g) The Escrow Agent may be removed at any time upon 15 days' notice by an instrument in writing, appointing a successor, filed with the Escrow Agent so removed and executed by all parties hereto.

(h) If the Escrow Agent shall resign, be removed or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, a vacancy shall forthwith and ipso facto exist in the office of Escrow Agent and a successor may be appointed by the City, with the consent of Lender and the Borrower. Within 15 days after any such appointment, the City shall cause written notice of such appointment to be given to each of the other parties to this Agreement.

(i) Every successor Escrow Agent hereunder appointed pursuant to the foregoing provisions shall be a trust company, a bank and trust company or a national bank with trust powers, having a combined capital and surplus of at least \$10,000,000 if there be such a trust company, bank and trust company or national bank willing and able to accept the trust on reasonable and customary terms.

(j) Any successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to each of the parties hereto an instrument accepting such appointment hereunder, and thereupon such successor Escrow Agent, without further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Escrow Agent herein. Upon request of such Escrow Agent, the Escrow Agent ceasing to act shall execute and deliver an instrument transferring to such successor Escrow Agent all the estates, property, rights and powers hereunder of the Escrow Agent so ceasing to act, and the Escrow Agent so ceasing to act shall pay over to the successor Escrow Agent all moneys and other assets at the time held by it hereunder.

(k) Any corporation, association or other entity into which any Escrow Agent hereunder may be merged or with which it may be consolidated, or any corporation, association or other entity resulting from any merger or consolidation to which any Escrow Agent hereunder shall be a party, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE V

Miscellaneous

Section 5.01. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 5.02. Section and Paragraph Headings. The section and paragraph headings herein have been prepared for convenience only are not part of this Agreement and shall not be taken as an interpretation of any provision of this Agreement.

Section 5.03. Severability. If any clause, provision or Section of this Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be determined to be the agreement or obligation of the party bound thereby to the full extent permitted by law.

Section 5.04. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of Illinois.

Section 5.05. Notices and Other Communications. Any notice or other written communication required to be given pursuant to this Agreement may be delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission), addressed to the person to whom such notice or communication is to be given, at the following addresses:

If to the Borrower: Wilson Yard Development I, LLC
Wilson Yard Partners, LP
Wilson Yard Development Corporation
Wilson Yard Senior Housing, L.P.
Wilson Yard Senior Development
Corporation
1333 North Kingsbury, Suite 305
Chicago, Illinois 60622

Attention: General Partner

with a copy to:

Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 412
Chicago, Illinois 60607
Attention: Thomas Thorne-Thomsen, Esq.

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

with a copy to:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

If to the Escrow Agent: Greater Illinois Title Company
120 North LaSalle, Suite 900
Chicago, IL 60602
Attention: Melinda Janczur

If to Lender: [To come]

Section 5.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

Section 5.07. Amendments. This Agreement may not be amended except by an instrument in writing executed by each of the parties hereto.

Section 5.08. Execution by Lender. The parties hereby agree that, at the time the Construction Loan is closed, the Lender will sign this Agreement and have all the rights and obligations set forth herein.

57283 v3

[The Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed, sealed and delivered as of the day and year first written above.

CITYOF CHICAGO, acting by and through its
Department of Planning and Development

By: _____
Title: _____

GREATER ILLINOIS TITLE COMPANY

By: _____
Its: _____

WILSON YARD SENIOR HOUSING, L.P.,
an Illinois limited partnership

By: Wilson Yard Senior Development
Corporation, an Illinois corporation, its
General Partner

By: _____
Title: _____

WILSON YARD SENIOR DEVELOPMENT
CORPORATION,
an Illinois corporation

By: _____
Title: _____

WILSON YARD DEVELOPMENT I, LLC, an
Illinois limited liability company

By: _____
Title: _____

WILSON YARD PARTNERS, LP,
an Illinois limited partnership

By: Wilson Yard Development Corporation, an
Illinois corporation, its General Partner

By: _____
Title: _____

WILSON YARD DEVELOPMENT
CORPORATION,
an Illinois corporation

By: _____
Title: _____

EDS

FOR CITY USE
AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." **An incomplete EDS will be returned and any City action will be interrupted.**

Please **print or type** all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. **However**, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: February 15, 2005

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. Wilson Yard Development I, LLC

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

- Check here if the Undersigned is filing this EDS as an Applicant.
- Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:

B. Business address of the Undersigned: 1333 North Kingsbury
Suite 305
Chicago, IL 60622

C. Telephone: (312) 337-5339 Fax: (312) 337-4592 Email: tania_kadakia@holstenchicago.com
x124

D. Name of contact person: Tania Kadakia, Development Manager

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

PLEASE SEE ATTACHED PAGE.

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: Planning and Development

2. City action requested (e.g. loan, grant, sale of property):

Request of TIF funding.

3. If property involved, list property location:

From Broadway Street (east) to the CTA tracks (west); between Wilson Avenue (north) and Montrose Avenue (south), Chicago

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| | (Is the not-for-profit corporation also a 501(c)(3))? |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> General partnership | <input type="checkbox"/> Other entity (please specify) |
| <input type="checkbox"/> Limited partnership | _____ |

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No N/A

This project, known as Wilson Yard, is the redevelopment of approximately 5.5 acres of land at the corner of Montrose and Broadway, extending north to Wilson and west to the CTA Red Line tracks. The redevelopment will include approximately 180 affordable housing units for seniors and families, a "big box" retail store, a movie theater, smaller retail and restaurants, and parking. In order to accomplish the redevelopment, the Aldi food store which is currently located in the middle of the site, will be relocated to the north edge of the site.

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
_____	_____
_____	_____
_____	_____

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:

For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:

a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest
Peter M. Holsten	1333 N. Kingsbury	100%
Member Managed	Suite 305	
	Chicago, IL 60622	

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
<i>No officers.</i>	

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

Name	Business Address	Percentage Interest

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2 -156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?
 Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here. add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
<i>See attached</i>			

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

Wilson Yard**Holsten Real Estate Development Corporation****EDS Certification, Disclosure of Retained Parties (attachment to EDS p. 8)**

29 June, 2004

<u>Company</u>	<u>Address</u>		<u>Role</u>	<u>Fee</u>
Piper, Rudnick	203 N. LaSalle, Suite 1800	Chicago, IL 60607	Attorney	300,000
Johnson, Jones, Snelling, Gilbert, & Davis	36 S. Wabash, Suite 1310	Chicago, IL 606006	Attorney	TBD
Applegate & Thorne-Thomsen	322 S. Green Street, Suite 412	Chicago, IL 606007	Attorney	TBD
Gershman Brown & Assoc, Inc.	600 E. 96th Street, Suite 150	Indianapolis, IN 46240	Real Estate Broker	250,000
FitzGerald Associates Architects	912 W. Lake St.	Chicago, IL 60607	Architect	TBD
Mid-America Asset Management	Two Mid-America Plaza, 3rd Fl	Oak Brook Terrace, IL 60181	Real estate broker and construction manager	725,000
Baum Realty Group, Inc.	1030 W. Chicago Ave, Ste 300	Chicago, IL 60622	Real Estate Broker	TBD
DESMAN Assoc.	20 N. Clark, 4th Floor	Chicago, IL 60602	Engineer	TBD
Ground Engineering Consultants, Inc.	350 Pfingsten Road, Suite 106	Northbrook, IL 60062	Environmental consultant	TBD
InterPark	111 W. Jackson Blvd., Suite 1900	Chicago, IL 60604	Parking consultant	TBD
Chicago Guaranty Survey Company	601 South La Salle Street	Chicago, IL 60605	Survey company	17,000
URS - TPAP	122 S. Michigan Ave, Suite 1920	Chicago, IL 60603	TIF consultant	20,000
Metro Transportation		Chicago, IL	Traffic consultant	25,000

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

- xx 1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
- _____ 2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- _____ 3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
- _____ 4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("**an Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Applicable Parties, the term Affiliated Entity means an individual or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another individual or entity;
- any responsible official of the Undersigned, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any Applicable Party or any Affiliated Entity (collectively "Agents").

Neither the Undersigned, nor any Applicable Party, nor any Affiliated Entity of either the Undersigned or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party's or Affiliated Entity's contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
 2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
 3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
 4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).
- C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2 -156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).
- D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

 is
XX is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:
- | Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|------|------------------|--------------------|

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

XX 1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

____ 2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.

C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.

E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

Wilson Yard Development I, LLC
(Print or type name of individual or legal entity submitting this EDS)

Date. 3/31/05

By: *Peter M. Holsten*
(sign here)

Print or type name of signatory:

Peter M. Holsten

Title of signatory:

Managing Member

Subscribed to before me on [date] 3/31/05 at Cook County,
Illinois [state].

Jacqueline Taylor Notary Public.

Commission expires: 9/11/06



FOR CITY USE

AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." An incomplete EDS will be returned and any City action will be interrupted.

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. **However**, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: February 15, 2005

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. Wilson Yard Development Corporation

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

Check here if the Undersigned is filing this EDS as an Applicant.

Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:

B. Business address of the Undersigned: 1333 North Kingsbury
Suite 305
Chicago, IL 60622

C. Telephone: (312) 337-5339 Fax: (312) 337-4592 Email: tania_kadakia@holstenchicago.com
x124

D. Name of contact person: Tania Kadakia, Development Manager

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

PLEASE SEE ATTACHED PAGE.

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: Planning and Development

2. City action requested (e.g. loan, grant, sale of property):

Request of TIF funding

3. If property involved, list property location:

From Broadway Street (east) to the CTA tracks (west); between Wilson Avenue (north) and Montrose Avenue (south), Chicago

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

<input type="checkbox"/> Individual	<input type="checkbox"/> Limited Liability Company
<input checked="" type="checkbox"/> Business corporation	<input type="checkbox"/> Joint venture
<input type="checkbox"/> Sole proprietorship	<input type="checkbox"/> Not-for-profit corporation
	(Is the not-for-profit corporation also a 501(c)(3))?
	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> General partnership	<input type="checkbox"/> Other entity (please specify)
<input type="checkbox"/> Limited partnership	_____

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No N/A

This project, known as Wilson Yard, is the redevelopment of approximately 5.5 acres of land at the corner of Montrose and Broadway, extending north to Wilson and west to the CTA Red Line tracks. The redevelopment will include approximately 180 affordable housing units for seniors and families, a "big box" retail store, a movie theater, smaller retail and restaurants, and parking. In order to accomplish the redevelopment, the Aldi food store which is currently located in the middle of the site, will be relocated to the north edge of the site.

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
<u>Peter M. Holsten</u>	<u>President</u>
<u>Peter M. Holsten</u>	<u>Secretary</u>
<u>Peter M. Holsten</u>	<u>Treasurer</u>
<u>Peter M. Holsten</u>	<u>Director</u>
<u>Matthew Roddy</u>	<u>Senior Vice President</u>

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest
<u>Peter M. Holsten</u>	<u>1333 North Kingsbury</u>	<u>100%</u>
	<u>Suite 305</u>	
	<u>Chicago, IL 60622</u>	

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:
For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:
a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
_____	_____
_____	_____
_____	_____

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
_____	_____
_____	_____
_____	_____

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

Name Business Address Percentage Interest

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
---	------------------	---	---

See attached.

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

Wilson Yard**Holsten Real Estate Development Corporation****EDS Certification, Disclosure of Retained Parties (attachment to EDS p. 8)**

29 June, 2004

<u>Company</u>	<u>Address</u>		<u>Role</u>	<u>Fee</u>
Piper, Rudnick	203 N. LaSalle, Suite 1800	Chicago, IL 60607	Attorney	300,000
Johnson, Jones, Snelling, Gilbert, & Davis	36 S. Wabash, Suite 1310	Chicago, IL 606006	Attorney	TBD
Applegate & Thorne-Thomsen	322 S. Green Street, Suite 412	Chicago, IL 606007	Attorney	TBD
Gershman Brown & Assoc, Inc.	600 E. 96th Street, Suite 150	Indianapolis, IN 46240	Real Estate Broker	250,000
FitzGerald Associates Architects	912 W. Lake St.	Chicago, IL 60607	Architect	TBD
Mid-America Asset Management	Two Mid-America Plaza, 3rd Fl	Oak Brook Terrace, IL 60181	Real estate broker and construction manager	725,000
Baum Realty Group, Inc.	1030 W. Chicago Ave, Ste 300	Chicago, IL 60622	Real Estate Broker	TBD
DESMAN Assoc.	20 N. Clark, 4th Floor	Chicago, IL 60602	Engineer	TBD
Ground Engineering Consultants, Inc.	350 Pfingsten Road, Suite 106	Northbrook, IL 60062	Environmental consultant	TBD
InterPark	111 W. Jackson Blvd., Suite 1900	Chicago, IL 60604	Parking consultant	TBD
Chicago Guaranty Survey Company	601 South La Salle Street	Chicago, IL 60605	Survey company	17,000
URS - TPAP	122 S. Michigan Ave, Suite 1920	Chicago, IL 60603	TIF consultant	20,000
Metro Transportation		Chicago, IL	Traffic consultant	25,000

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four; I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

- xx 1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
- _____ 2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- _____ 3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
- _____ 4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("**an Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Applicable Parties, the term Affiliated Entity means an individual or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another individual or entity;
- any responsible official of the Undersigned, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any Applicable Party or any Affiliated Entity (collectively "Agents").

Neither the Undersigned, nor any Applicable Party, nor any Affiliated Entity of either the Undersigned or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party's or Affiliated Entity's contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
 2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
 3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
 4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).
- C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).
- D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

 is
 XX is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
------	------------------	--------------------

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

XX 1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

____ 2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

fi BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:

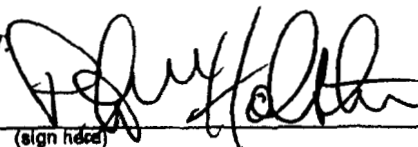
- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.
- C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.
- E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

Wilson Yard Development Corporation
(Print or type name of individual or legal entity submitting this EDS)

Date: 2/15/05

By: 
(sign here)

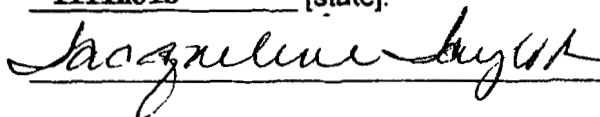
Print or type name of signatory:

Peter M. Holsten

Title of signatory:

President

Subscribed to before me on [date] 2/15/05, at Cook County,
Illinois [state].

 Notary Public.

Commission expires: 9/11/06



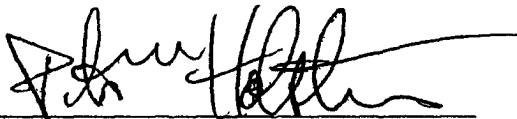
(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Undersigned must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Wilson Yard [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Undersigned, (2) warrants that all certifications and statements contained in the Undersigned's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Wilson Yard Development Corporation Date: 3/23/05
(Print or type name of individual or legal entity submitting this recertification)

By: 
(sign here)

Print or type name of signatory:

Peter Holsten

Title of signatory:

Developer



Subscribed to before me on [date] 3/23/05, at Cook County, Illinois [state].

Notary Public.

Commission expires: _____.

FOR CITY USE

AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." An incomplete EDS will be returned and any City action will be interrupted.

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. However, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: February 15, 2005

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. Wilson Yard Partners, LP

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

Check here if the Undersigned is filing this EDS as an Applicant.

Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:

B. Business address of the Undersigned: 1333 North Kingsbury
Suite 305
Chicago, IL 60622

C. Telephone: (312) 337-5339 Fax: (312) 337-4592 Email: tania_kadokia@holstenchicago.com
x124

D. Name of contact person: Tania Kadokia, Development Manager

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

PLEASE SEE ATTACHED PAGE.

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: Planning and Development

2. City action requested (e.g. loan, grant, sale of property):

Request of TIF funding.

3. If property involved, list property location:

From Broadway Street (east) to the CTA tracks (west); between Wilson Avenue (north) and Montrose Avenue (south), Chicago

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| | (Is the not-for-profit corporation also a 501(c)(3))? |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> General partnership | <input type="checkbox"/> Other entity (please specify) |
| <input checked="" type="checkbox"/> Limited partnership | _____ |

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No N/A

This project, known as Wilson Yard, is the redevelopment of approximately 5.5 acres of land at the corner of Montrose and Broadway, extending north to Wilson and west to the CTA Red Line tracks. The redevelopment will include approximately 180 affordable housing units for seniors and families, a "big box" retail store, a movie theater, smaller retail and restaurants, and parking. In order to accomplish the redevelopment, the Aldi food store which is currently located in the middle of the site, will be relocated to the north edge of the site.

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
_____	_____
_____	_____
_____	_____

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:
 For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest
Wilson Yard Development Corp.-GP	1333 N. Kingsbury Suite 305, Chgo., IL 60622	0.01%
Peter M. Holsten-LP	1333 N. Kingsbury Suite 305, Chgo., IL 60622	99.99%

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:
 a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
_____	_____
_____	_____
_____	_____

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
_____	_____
_____	_____
_____	_____

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

Name Business Address Percentage Interest

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
---	------------------	---	---

see attached

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

Wilson Yard**Holsten Real Estate Development Corporation****EDS Certification, Disclosure of Retained Parties (attachment to EDS p. 8)**

29 June, 2004

<u>Company</u>	<u>Address</u>		<u>Role</u>	<u>Fee</u>
Piper, Rudnick	203 N. LaSalle, Suite 1800	Chicago, IL 60607	Attorney	300,000
Johnson, Jones, Snelling, Gilbert, & Davis	36 S. Wabash, Suite 1310	Chicago, IL 60606	Attorney	TBD
Applegate & Thorne-Thomsen	322 S. Green Street, Suite 412	Chicago, IL 60607	Attorney	TBD
Gershman Brown & Assoc, Inc.	600 E. 96th Street, Suite 150	Indianapolis, IN 46240	Real Estate Broker	250,000
FitzGerald Associates Architects	912 W. Lake St.	Chicago, IL 60607	Architect	TBD
Mid-America Asset Management	Two Mid-America Plaza, 3rd Fl	Oak Brook Terrace, IL 60181	Real estate broker and construction manager	725,000
Baum Realty Group, Inc.	1030 W. Chicago Ave, Ste 300	Chicago, IL 60622	Real Estate Broker	TBD
DESMAN Assoc.	20 N. Clark, 4th Floor	Chicago, IL 60602	Engineer	TBD
Ground Engineering Consultants, Inc.	350 Pfingsten Road, Suite 106	Northbrook, IL 60062	Environmental consultant	TBD
InterPark	111 W. Jackson Blvd., Suite 1900	Chicago, IL 60604	Parking consultant	TBD
Chicago Guaranty Survey Company	601 South La Salle Street	Chicago, IL 60605	Survey company	17,000
URS - TPAP	122 S. Michigan Ave, Suite 1920	Chicago, IL 60603	TIF consultant	20,000
Metro Transportation		Chicago, IL	Traffic consultant	25,000

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

- xx 1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
- _____ 2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- _____ 3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
- _____ 4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("an **Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly, controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Applicable Parties, the term Affiliated Entity means an individual or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another individual or entity;
- any responsible official of the Undersigned, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any Applicable Party or any Affiliated Entity (collectively "Agents").

Neither the Undersigned, nor any Applicable Party, nor any Affiliated Entity of either the Undersigned or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party's or Affiliated Entity's contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or

4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).

C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

_____ is
 is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

XX 1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

___ 2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.

C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.

E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

Wilson Yard Partners, L.P.

Wilson Yard Development Corporation, its general Date: 3/31/05
(Print or type name of individual or legal entity submitting this EDS) partner

By: *Peter M. Holsten*
(sign here)

Print or type name of signatory

Peter M. Holsten

Title of signatory:

President

Subscribed to before me on [date] 3/31/05, at Cook County,
Illinois [state].

Jacqueline Taylor Notary Public.

Commission expires: 9/11/06

