

DESIGNATION OF PRIMESTOR 119 L.L.C. AS PROJECT
DEVELOPER, AUTHORIZATION FOR EXECUTION OF
REDEVELOPMENT AGREEMENT AND ISSUANCE
OF CITY-NOTE FOR CONSTRUCTION OF
RETAIL SHOPPING CENTER WITHIN
119TH/I-57 REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 28, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a substitute ordinance authorizing entering into and executing a redevelopment agreement with Primestor 119 L.L.C., amount of notes not to exceed \$23,200,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council (the "City Council") of the City of Chicago (the "City") on November 6, 2002, and published at pages 95329 and 95442 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project (the "119th/I-57 Redevelopment Plan") for the 119th/I-57 Tax Increment Redevelopment Project Area (the "119th/I-57 Redevelopment Project 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 November 6, 2002, and published at pages 95444 and 95453 of the *Journal* of such date, the 119th/I-57 Redevelopment Project Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 6, 2002, and published at pages 95455 and 95463 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) ("119th/I-57 Redevelopment Project Costs") incurred pursuant to the 119th/I-57 Redevelopment Plan; and

WHEREAS, Primestor 119 L.L.C., a Delaware Illinois limited liability company (the "Developer"), owns certain property located within the 119th/I-57 Redevelopment Project Area bounded by 115th Street on the north, Marshfield Avenue on the east, 119th Street on the south and the Rock Island District railroad tracks on the west at Chicago, Illinois (the "Property") and proposes to construct and rehabilitate an approximately four hundred forty-four thousand (444,000) square foot retail shopping center, which will include demolition of an existing structure on the Property and new construction on the Property. The project will result in two (2) anchor stores, at least three (3) junior anchor stores, five (5) buildings located on outlot parcels, several in-line retail spaces and approximately one thousand seven hundred fifty-four (1,754) off-street parking spaces (the "Project"); and

WHEREAS, The Developer proposes to undertake the Project in accordance with the 119th/I-57 Redevelopment Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project, to be financed in part by Incremental Taxes, if any; and

WHEREAS, Pursuant to Resolution 05-CDC-126 (the "Resolution") adopted by the Community Development Commission of the City (the "Commission") on December 13, 2005, the Commission recommended that the Developer be designated as the Developer for the Project and that the City's Department of Planning and Development ("D.P.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; 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 Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are 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 between the Developer and the City in substantially the form attached hereto as Exhibit A 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.

SECTION 4. Notes of the City in an aggregate principal amount up to Twenty-three Million Two Hundred Thousand Dollars (\$23,200,000) shall be issued for the payment of a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project (such costs shall be known herein and in the Redevelopment Agreement as "T.I.F.-Funded Improvements") and shall be designated as follows: "Tax Increment Allocation Revenue Note (Primestor 119 L.L.C. Redevelopment Project), Tax-Exempt Series A" in the maximum aggregate principal amount of Fifteen Million Seven Hundred Thousand Dollars (\$15,700,000) ("City Note A"); and "Tax Increment Allocation Revenue Note (Primestor 119 Redevelopment Project), Taxable Series B" in the maximum aggregate principal amount of Seven Million Three Hundred Thousand Dollars (\$7,300,000) or, if required under Section 8.1 of the Redevelopment Agreement, Seven Million Five Hundred Thousand Dollars (\$7,500,000) ("City Note B"). City Notes A and B shall be substantially in the forms attached to the Redevelopment Agreement as (Sub)Exhibits M-1 and M-2, respectively, and made a part hereof, with such additions or modifications as shall be determined to be necessary by the Authorized Officer (the person duly appointed and serving as the Chief Financial Officer of the City, or if no such person has been appointed, then the City Comptroller, being each referred to herein as an "Authorized Officer") of the City, at the time of issuance to reflect the purpose of the issue. The City Notes shall be dated the date of delivery thereof, and shall also bear the date of authentication,

shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein. The proceeds of the City Notes are hereby appropriated for the purposes set forth in this Section 5.

Each City Note shall mature as described in the Redevelopment Agreement, and shall bear interest at a fixed interest rate as described in the Redevelopment Agreement until the principal amount of each City Note is paid or until maturity, with the exact rate to be determined by the Authorized Officer, computed on the basis of a Three Hundred Sixty (360) day year of twelve (12) thirty (30) day months.

The principal of and interest on the City Notes shall be paid by check, draft or wire transfer of funds by the Authorized Officer of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the persons in whose names the City Notes are registered at the close of business on the payment date, in any event no later than at the close of business on the fifteenth (15th) day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the City Notes 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 on or before the maturity date.

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

The City Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the City Notes, and showing the date of authentication. The City Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the City Notes shall be conclusive evidence that the City Notes have been authenticated and delivered under this ordinance.

SECTION 5. The City shall cause books (the "Register") for the registration and for the transfer of the City 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 City Notes. The City is authorized to prepare, and the Registrar shall

keep custody of, multiple City Note blanks executed by the City for use in the transfer of the City Notes.

Upon surrender for a transfer of a City 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 Authorized Officer (or his or her designee) and the Commissioner 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 City Note of the same maturity, of authorized denomination, for the authorized principal amount of the City Note less previous retirements. The execution by the City of a fully registered City Note shall constitute full and due authorization of the City Note and the Registrar shall thereby be authorized to authenticate, date and deliver the City Note. The Registrar shall not be required to transfer or exchange a City Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange a City Note after notice calling a City Note for prepayment has been made, nor during a period of five (5) business days next preceding mailing of a notice of prepayment of principal of a City Note. No beneficial interests in a City Note shall be assigned, except in accordance with the procedures for transferring a City Note described above.

The person in whose name each City Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of a City 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 the City Notes to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the City Notes, 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 City Notes.

SECTION 6. Subject to the limitations set forth herein, the Authorized Officer is authorized to determine the terms of the City Notes and to issue the City Notes on such terms as the Authorized Officer may deem to be in the best interest of the City. The principal of the City Notes shall be subject to prepayment as provided in the form of City Notes attached to the Redevelopment Agreement as (Sub)Exhibits M-1 and M-2. As directed by the Authorized Officer, the Registrar shall proceed with prepayment without further notice or direction from the City.

SECTION 7. The City Notes hereby authorized shall be executed as in this ordinance and the Redevelopment Agreement provided as soon after the passage hereof as may be practicable and consistent with the terms of the Redevelopment Agreement, and thereupon, said City Notes shall be deposited with the Commissioner, and delivered by the Commissioner to the Developer.

SECTION 8. Pursuant to the T.I.F. Ordinance, the City has created or will create the Fund. The Authorized Officer is hereby directed to maintain the Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank that is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the T.I.F. Ordinance, all Incremental Taxes received by the City for the Area are to be deposited into the Fund.

There is hereby created within the Fund a special sub-account to be known as the "Primestor 119 L.L.C. Project Account" (the "Project Account"). The City shall designate and deposit into the Project Account ninety-five percent (95%) of the Incremental Taxes deposited into the Fund and remaining after the first One Million Dollars (\$1,000,000) of Incremental Taxes attributable to the Property have been paid by the City to the Developer for payment of environmental remediation costs, as further described in the Redevelopment Agreement. The City hereby assigns, pledges and dedicates the Project Account, together with all amounts on deposit therein, to the payment of the principal of and interest, if any, on City Note A and City Note B when due under the terms of the Redevelopment Agreement and in accordance with the debt service schedules attached to the notes. Upon deposit, the monies 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 monies on deposit in the Project Account shall be used to pay the principal of and interest on City Note A and City Note B, at maturity or upon payment or redemption prior to maturity, in accordance with the terms of such note, which payments from the Project Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under City Note A and City Note B and the Redevelopment Agreement in accordance with their terms, the amounts on deposit in the Project Account, as applicable, shall be deposited in the Fund of the City and the Project Account shall be closed.

Notwithstanding any of the foregoing, payments on the City Note A and City Note B will be subject to the availability of Incremental Taxes in the Project Account.

City Note B shall be subordinate to other obligations described in the Redevelopment Agreement, and shall be payable from any remaining Available Incremental Taxes (as defined in the Redevelopment Agreement) available after the payment of debt service on City Note A and such other obligations.

SECTION 9. The City Notes are special limited obligations of the City. City Note A and City Note B are payable solely from Available Incremental Taxes, and shall be a valid claim of the registered owners thereof only against said sources. The City 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 City 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 City Notes.

SECTION 10. Monies on deposit in the Fund or the Project Account, as the case may be, 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 the City Notes.

SECTION 11. Pursuant to the Redevelopment Agreement, the Developer shall complete the Project. The eligible redevelopment project costs of the Project constituting T.I.F.-Funded Improvements up to the principal amount of Twenty-three Million Two Hundred Thousand Dollars (\$23,200,000), when evidenced by Certificates of Expenditure shall be deemed to be a disbursement of the proceeds of the City Notes. Upon issuance, the City Notes shall have in the aggregate an initial principal balance equal to the Developer's prior expenditures for T.I.F.-Funded Improvements up to a maximum amount of Twenty-three Million Two Hundred Thousand Dollars (\$23,200,000), as evidenced by Certificates of Expenditures delivered in accordance with the Redevelopment Agreement, and subject to the reductions described in the Redevelopment Agreement. After issuance, the principal amount outstanding under the City Notes shall be the initial principal balance of the City Notes, minus any principal amount and interest paid on the City Notes and other reductions in principal as provided in the Redevelopment Agreement.

SECTION 12. The Mayor, the Authorized Officer, the City Clerk or any Deputy 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 13. The Registrar shall maintain a list of the names and address of the registered owners from time to time of the City 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 14. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the City Notes. All covenants relating to the City Notes are enforceable by the registered owners of the City Notes.

SECTION 15. 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 16. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 17. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

119th/I-57
Redevelopment Project Area

Primestor 119 L.L.C.

Redevelopment Agreement

By And Between

The City Of Chicago

And

Primestor 119 L.L.C.

This Primestor 119 L.L.C. Redevelopment Agreement (this "Agreement") is made as of this _____ day of _____, 2006, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("D.P.D."), and Primestor 119 L.L.C., a Delaware limited liability company (the "Developer").

Recitals.

A. Constitutional Authority. As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"),

the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority. To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on November 6, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 119th/I-57 Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 119th/I-57 Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 119th/I-57 Redevelopment Project Area" (the "T.I.F. Adoption Ordinance") (items (1) -- (3) collectively referred to herein as the "T.I.F. Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in (Sub)Exhibit A hereto.

D. The Project. The Developer has purchased (the "Acquisition") certain property located within the Redevelopment Area, bounded by 115th Street on the north, Marshfield Avenue on the east, 119th Street on the south and the Rock Island District railroad tracks on the west and legally described on (Sub)Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence the construction and rehabilitation of an approximately four hundred forty-four thousand (444,000) square foot retail shopping center (the "Facility") thereon. The project involves demolition of an existing structure on the Property and new construction. The project will contain (a) anchor stores consisting of Target and Home Depot (the "Anchor Stores"), (b) at least (3) junior anchor stores (the "Junior Anchors"), (c) five (5) buildings located on out-lot parcels (the "Out-Lot Stores"), (d) several in-line retail spaces (the "In Line Stores") and (e) approximately one thousand seven hundred fifty-four (1,754) off-street parking spaces, ___ of which will be accessible to the disabled. The owners and/or operators of the Anchor Stores are expected to purchase their respective sites (designated Anchor 1 and Anchor 2 in the Plans and Specifications) and reimburse the Developer for site improvements (such sales by the Developer, and such purchase and reimbursement, the "Anchor Sales"). The Facility and related improvements (including but not limited to those T.I.F.-Funded Improvements as defined below and set forth on (Sub)Exhibit C) are collectively referred to herein as the "Project". The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. **Redevelopment Plan.** The Project will be carried out in accordance with this Agreement and the City of Chicago 119th/I-57 Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as (Sub)Exhibit D.

F. **City Financing.** The City agrees to use, in the amounts set forth in Section 4.03 hereof, the proceeds of the City Note A and City Note B (defined below) to pay for or reimburse the Developer for the costs of T.I.F.-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

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:

"119th/I-57 Area T.I.F. Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"Act" shall have the meaning set forth in the recitals hereof.

"Actual residents of the City" shall mean persons domiciled within the City.

"Acquisition" shall have the meaning set forth in the recitals hereof.

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

“Anchor Sales” shall have the meaning set forth in recital D hereof.

“Anchor Sales Proceeds” shall mean all gross proceeds from the Anchor Sales, including proceeds of the land sale and cost reimbursements.

“Anchor Stores” shall have the meaning set forth in Recital D hereof.

“Application” shall mean the Marshfield Plaza Application for T.I.F. Assistance dated _____, 200__.

“Average Minimum Occupancy” shall have the meaning set forth in Section 8.06 hereof.

“Available Incremental Taxes” shall mean an amount equal to ninety-five percent (95%) of the actual Incremental Taxes deposited in the 119th/I-57 Redevelopment Project Area T.I.F. Fund attributable to the taxes levied on the Property minus the first One Million Dollars (\$1,000,000) of Incremental Taxes collected and attributable to the Property, which shall be paid to the Developer as the Initial Amount of the Remediation Payment.

“Capitalized Value of the Project at Stabilization” shall have the meaning set forth in Section 8.24 hereof.

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

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

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

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

“City Amount” shall have the meaning set forth in Section 8.24 hereof.

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

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

“City Note A” shall mean the tax-exempt City of Chicago Tax Increment Allocation Note (119th/I-57 Redevelopment Project Area), to be in the form attached hereto as (Sub)Exhibit M-1 in the maximum principal amount of Fifteen Million Seven Hundred Thousand Dollars (\$15,700,000), issued by the City to the Developer as provided herein. The City Note shall bear interest at the City Note A Interest Rate and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Note B” shall mean the taxable City of Chicago Tax Increment Allocation Note (119th/I-57 Redevelopment Project Area), to be in the form attached hereto as (Sub)Exhibit M-2 in the maximum principal amount of Seven Million Three Hundred Thousand Dollars (\$7,300,000) (or, if required by Section 8.21 hereof, an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) issued by the City to the Developer as provided herein. The City Note shall bear interest at the City Note B Interest Rate and shall provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Note A Interest Rate” shall mean an annual rate equal to the median value of the twenty (20) year AAA G.O. Bond rate as published by Bloomberg for fifteen (15) business days before City Note A is issued plus two hundred fifty (250) basis points, but in no event exceeding eight percent (8.00%) per annum.

“City Note B Interest Rate” shall mean an annual rate equal to two hundred seventy-five (275) basis points above the observed median value for the prevailing interest rates for the ten (10) year United States Treasury constant maturity as published in the daily Federal Reserve Statistical Release for fifteen (15) business days before City Note B is issued; provided, however, that the City Note B Interest Rate shall not exceed nine percent (9.00%) per annum.

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

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

“Corporation Counsel” shall mean the City’s Office of Corporation Counsel.

“Developer’s Project Costs” shall mean \$ _____, representing an amount equal to the total Project Budget, as shown in (Sub)Exhibit H-1 and Section 4.01 hereof; minus the construction costs incurred by the Anchor Stores.

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

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

“Equity” shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof; which amount may be increased pursuant to Section 4.06 (Cost Overruns).

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

“Escrow Agreement” shall mean the Escrow Agreement, if one is required by the Developer’s lender(s), establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer’s lender(s), substantially in the form of (Sub)Exhibit F attached hereto.

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

“Excess Anchor Sales Proceeds” shall mean the amount, if any, by which the Anchor Sales Proceeds exceed Seventeen Million Three Hundred Fifty Thousand Dollars (\$17,350,000).

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

“Final Project Cost” shall have the meaning set forth in Section 7.01 hereof.

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

“General Contractor” shall mean (a) Pepper Construction Group L.L.C., which was selected pursuant to Section 6.01 or (b) such other general contractor(s) hired by the Developer pursuant to Section 6.01.

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

“Incremental Taxes” shall mean such ad valorem taxes which, pursuant to the T.I.F. Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the 119th/I-57 Area T.I.F. Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

“Initial Amount” shall have the meaning set forth in Section 4.03(b)(iii) hereof.

“In-Line Stores” shall have the meaning set forth in Recital D hereof.

“Job Training Costs” shall have the meaning set forth in Section 8.21 hereof.

“Junior Anchors” shall have the meaning set forth in Recital D hereof.

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

“Lock-Out Period” shall have the meaning set forth in Section 4.03(b)(i) hereof.

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

“M.B.E./W.B.E. Budget” shall mean the budget attached hereto as (Sub)Exhibit H-2, as described in Section 10.03.

“Minimum Occupancy” shall mean the occupancy of sixty percent (60%) of the total square footage of the Junior Anchors, the Out-Lot Stores and the In-Line Stores.

“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.

“OEA Provisions” shall mean the OEA Provisions set forth in (Sub)Exhibit O.

“Out-Lot Stores” shall have the meaning set forth in Recital D hereof.

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

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

“Planned Development” shall mean the Business Planned Development (B.P.D. Number 770) that was adopted by City Council on February 7, 2001.

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

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

“Prohibited Uses” shall mean the Prohibited Uses set forth in (Sub)Exhibit K.

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

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

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

“Qualified Investor” shall mean a qualified institutional buyer (“Q.I.B.”) or a registered investment company.

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

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

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

“Remediation Payment” shall have the meaning set for in Section 4.03(b)(iii) hereof.

“Requisition Form” shall mean the document, in the form attached hereto as (Sub)Exhibit L, to be delivered by the Developer to D.P.D. pursuant to Section 4.04 of this Agreement.

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

“Stabilization” shall have the meaning set forth in Section 8.24 hereof.

“Survey” shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property dated within forty-five (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 Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2026).

“T.I.F. Adoption Ordinance” shall have the meaning set forth in the recitals hereof.

“T.I.F. Bond Ordinance” shall have the meaning set forth in the recitals hereof.

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

“T.I.F. Ordinances” shall have the meaning set forth in the recitals hereof.

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

“W.A.R.N. Act” shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101, et seq.).

“W.B.E.(s)” shall mean a business identified in the *Directory of Certified Women Business Enterprises* published by the City’s Department of Procurement Services, or otherwise certified by the City’s Department of Procurement Services

as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

Section 3.

The Project.

3.01 The Project.

With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than one hundred eighty (180) days after the authorization of this Agreement by City Council; and (ii) complete construction and conduct business operations therein no later than January, 2008.

3.02 Scope Drawings And Plans And Specifications.

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

3.03 Project Budget.

The Developer has furnished to D.P.D., and D.P.D. has approved, a Project Budget showing total costs for the Project in an amount not less than Ninety Million One Hundred Seventy-seven Thousand Four Hundred Ninety-six Dollars (\$90,177,496), of which Fifteen Million Dollars (\$15,000,000) will be attributed to the construction costs incurred by the Anchor Stores. The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof shall be sufficient to complete the Project; (b) it has Lender Financing and Equity in an amount sufficient, together with the City Funds, to pay for all Project costs; and (c) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to D.P.D. certified copies

of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders.

All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to a material change to the Project must be submitted by the Developer to D.P.D. for D.P.D.'s prior written approval. As used in the preceding sentence, a "material change to the Project" means (a) an increase or reduction in the gross or net square footage of the Facility by more than five percent (5%); (b) a change in the use of the Property to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Project by more than one hundred eighty (180) days; (d) changes to the environmental features of the Facility including the green roof required under the Planned Development and Section 8.22; or (e) or Change Orders that, in the aggregate, increase or decrease the Project Budget by more than ten percent (10%) D.P.D. will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within thirty (30) days of its receipt thereof. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of D.P.D.'s written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.05 D.P.D. Approval.

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

3.06 Other Approvals.

Any D.P.D. approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of; the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all

necessary permits and approvals (including but not limited to D.P.D.'s approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Report And Survey Updates.

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

3.08 Inspecting Agent Or Architect.

An independent agent or architect (other than the Developer's agent or architect) approved by D.P.D. shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to D.P.D., prior to requests for disbursement for costs related to the Project. If approved by D.P.D., the inspecting agent or architect may be the same one being used in such role by the lender providing Lender Financing, provided that such agent or architect (a) is not also the Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

3.09 Barricades.

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

3.10 Signs And Public Relations.

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

regarding the Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections.

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

3.12 Permit Fees.

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

Section 4.

Financing.

4.01 Total Project Cost And Sources Of Funds.

The cost of the Project is estimated to be Ninety Million One Hundred Seventy-seven Thousand Four Hundred Ninety-six Dollars (\$90,177,496), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Anchor Sales

Land Sale	\$ 12,650,000
Reimbursement for hard and soft costs	4,700,000
Cash Equity (subject to Section 4.06)	2,000,000
Lender Financing of Construction	31,827,496

Financing of Construction by Anchor Stores	\$ 15,000,000
City Funds	24,000,000 ⁽¹⁾
 ESTIMATED TOTAL:	 \$ 90,177,496

All costs in this Section 4.01 other than those shown as "Financing of Construction by Anchor Stores" are Developer's Project Costs.

4.02 Developer Funds.

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

4.03 City Funds.

(a) Uses Of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of T.I.F.-Funded Improvements that constitute Redevelopment Project Costs. (Sub)Exhibit C sets forth, by line item, the T.I.F.-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources Of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof; the City hereby agrees to pay for or reimburse the Developer for the costs of T.I.F.-Funded Improvements for the lesser of Twenty-Four Million Dollars (\$24,000,000), subject to increase by up to Two Hundred Thousand Dollars (\$200,000) under Section 8.21 hereof (the "City Funds") or [twenty-six and eighty-hundredths percent (26.80%)] of the Final Project Costs:

(1) Subject to increase by up to Two Hundred Thousand Dollars (\$200,000) under Section 8.21 hereof, City Funds may only be used to pay directly or reimburse the Developer for costs of T.I.F.-Funded Improvements that constitute Redevelopment Project Costs. The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5 hereof.

(i) City Note A. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof; the City hereby agrees to issue the City Note A to the Developer upon the issuance of the Certificate of Completion. The principal amount of City Note A shall be in an amount equal to the costs of the T.I.F.-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on City Note A, subject to the provisions hereof; provided, however, that the maximum principal amount of City Note A shall be an amount not to exceed Fifteen Millions Seven Hundred Thousand Dollars (\$15,700,000); provided, further, that the cost of T.I.F.-Funded Improvements shall be certified first to City Note B, up to the maximum principal amount of City Note B, and thereafter to City Note A. Interest on City Note A will accrue at the City Note A Interest Rate from its date of issuance, as more fully described in (Sub)Exhibit M-1 attached hereto, and will compound annually. City Note A shall be payable from Available Incremental Taxes, provided that no payments shall be made on City Note A until the issuance of a Certificate of Completion. Payments of principal and interest on City Note A shall be made in accordance with a debt service schedule attached to City Note A. The City may not prepay, without the consent of the Developer or the registered owner of City Note A, as applicable, City Note A for a period of five (5) years (the "Lock-Out Period") from the date which is six (6) months following the date of issuance of the Certificate of Completion. The Developer may sell City Note A at any time after the issuance of the Certificate of Completion, but only to a Qualified Investor with no view to resale and pursuant to an acceptable Certificate of Completion, but only to a Qualified Investor with no view to resale and pursuant to an acceptable investment letter and in a manner and on terms, including debt service schedule, otherwise reasonably acceptable to the City.

(ii) City Note B. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue City Note B to the Developer on the Closing Date. The principal amount of the City Note shall be in an amount equal to the costs of the T.I.F.-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on City Note B, subject to the provision hereof; provided, however, that the maximum principal amount of City Note B shall be an amount not to exceed (A) Seven Million Three Hundred Thousand Dollars (\$7,300,000) or, (B) if required by Section 8.21 hereof, Seven Million Five Hundred Thousand Dollars (\$7,500,000); provided, further, that the principal amount of City Note B may be reduced in the event that (1) the Project Budget (less the Remediation Payment) for Developer's Project Costs exceeds the Final Project Cost for Developer's Project Costs, in which case the principal amount of City Note B shall be reduced by fifty cents (\$0.50) for every One Dollar (\$1.00) (or portion thereof) by which the Project Budget (less the Remediation Payment) for Developer's Project Costs exceeds the Final Project Cost for Developer's Project Costs, (2) the City shall be entitled to receive the Anchor Sales Adjustment under Section 8.23, (3) the City shall be entitled to receive the

City Amount under Section 8.24, or (4) the total amount of T.I.F. assistance to the Developer would exceed twenty-six and eighty hundredths percent (26.80%) of the Final Project Costs. Interest on City Note B will accrue at the City Note B Interest Rate from the date of the issuance of a Certificate of Completion, as more fully described in (Sub)Exhibit M-2 attached hereto, and will compound annually. City Note B shall be payable from the remainder of Available Incremental Taxes after payments made under City Note A, provided that no payments shall be made on City Note B until the issuance of a Certificate of Completion. Payments of principal and interest on City Note B shall be made in accordance with a debt service schedule attached to City Note B, provided that payments shall be made only upon Developer's compliance with Section 8.06 herein. The City may not prepay, without the consent of the Developer or the registered owner of City Note B, as applicable City Note B during the Lock-Out Period. The Developer may sell City Note B at any time after the issuance of City Note B, but only to a Qualified Investor with no view to resale and pursuant to an acceptable investment letter and in a manner and on terms, including debt service schedule, otherwise reasonably acceptable to the City.

(iii) Remediation Payment. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof; the City hereby agrees to pay an amount not to exceed Two Million Dollars (\$2,000,000) for environmental remediation on the Property, including excavation of salt and salt-impacted soil, removal to an appropriate disposal facility and environmental studies, reports and any other hard costs of remediation approved by the City's Department of Environment as set forth below (the "Remediation Payment"). The Remediation Payment shall consist of (a) an initial payment in an amount not to exceed One Million Dollars (\$1,000,000) (the "Initial Amount") which shall be derived from the first One Million Dollars (\$1,000,000) of Incremental Taxes collected and attributable to the Property; and (b) an amount not to exceed One Million Dollars (\$1,000,000) to be included in the Fifteen Million Seven Hundred Thousand Dollars (\$15,700,000) maximum principal amount of City Note A. If the cost of completing such environmental remediation exceeds the Remediation Payment, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the remediation in excess of the Remediation Payment.

4.04 Requisition Form.

On the Closing Date and prior to each December 31 (or such other date as the parties may agree to) thereafter, beginning in 2006 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide D.P.D. with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of T.I.F.-Funded Improvements shall be made not more

than one (1) time per calendar quarter (or as otherwise permitted by D.P.D.). On each December 1 (or such other date as may be acceptable to the parties), beginning in 2006 and continuing throughout the Term of the Agreement, the Developer shall meet with D.P.D. at the request of D.P.D. to discuss the Requisition Form(s) previously delivered.

4.05 Treatment Of Prior Expenditures And Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to D.P.D. and approved by D.P.D. as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). D.P.D. shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. (Sub)Exhibit I hereto sets forth the prior expenditures approved by D.P.D. as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than T.I.F.-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) Allocation Among Line Items. Disbursements for expenditures related to T.I.F.-Funded Improvements may be allocated to and charged against the appropriate line, and transfers and reallocations of costs and expenses from one line item to another, shall be permitted without the prior written consent of D.P.D.; provided, that all such transferred and/or reallocated line items qualify as Redevelopment Project Costs.

4.06 Cost Overruns.

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

4.07 Execution Of Certificate Of Expenditure.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall submit documentation regarding the applicable expenditures to D.P.D., which shall be satisfactory to D.P.D. in its sole discretion. Delivery by the Developer to D.P.D. of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a

certification to the City, as of the date of such or request for execution of a Certificate of Expenditure, that:

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

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

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

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

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

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

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

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such

documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure, including but not limited to requirements set forth in the Bond Ordinance, if any, T.I.F. Bond Ordinance, if any, the Bonds, if any, the T.I.F. Bonds, if any, the T.I.F. Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant.

The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

4.09 Cost Of Issuance.

The Developer shall be responsible for paying all costs relating to the issuance of the City Note, including costs relating to the opinion described in Section 5.09(b) hereof.

Section 5.

Conditions Precedent.

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

5.01 Project Budget.

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

5.02 Scope Drawings And Plans And Specifications.

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

5.03 Other Governmental Approvals.

The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to D.P.D.

5.04 Financing.

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

5.05 Acquisition And Title.

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

5.06 Evidence Of Clean Title.

The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: _____ 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
United States District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

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

5.07 Surveys.

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

5.08 Insurance.

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

5.09 Opinion Of The Developer's Counsel.

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

(b) On the date of issuance of City Note A, the City has received an opinion regarding the tax-exempt status and enforceability of City Note A from a nationally recognized bond counsel approved by the City, in form and substance acceptable to the Corporation Counsel. The Developer shall pay the expenses of bond counsel relating to the issuance of tax-exempt City Note A.

5.10 Evidence Of Prior Expenditures.

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

5.11 Financial Statements.

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

5.12 Documentation.

The Developer has provided documentation to D.P.D. satisfactory in form and substance to D.P.D., with respect to current employment matters.

5.13 Environmental.

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

[Note: Requirements under this section, including delivery of a comprehensive No Further Remediation letter from Illinois E.P.A. and the procedure for review of contracts and other matters relating to the environmental remediation of the Property by the City's Department of Environment, will be drafted based on review of Comprehensive Site Investigation and other environmental documents.]

5.14 Corporate Documents; Economic Disclosure Statement.

The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization

and all other states in which the Developer is qualified to do business; a secretary's certificate or other similar instrument in such form and substance as the Corporation Counsel may require; operating agreement of the Developer; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation.

The Developer has provided to Corporation Counsel and D.P.D., 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.

Section 6.

Agreements With Contractors.

6.01 Bid Requirement For General Contractor And Subcontractors.

(a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with and having an office located in the City of Chicago, and shall submit all bids received to D.P.D. for its inspection and written approval. For the T.I.F.-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the T.I.F.-Funded Improvements, except for bids submitted by M.B.E./W.B.E. certified contractors in compliance with Section 10.03 hereof; the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. The Developer shall submit copies of the Construction Contract to D.P.D. in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the T.I.F.-Funded Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and

Specifications have been approved by D.P.D. and all requisite permits have been obtained.

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

6.02 Construction Contract.

Prior to the execution thereof; the Developer shall deliver to D.P.D. a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for D.P.D.'s prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to D.P.D. and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance And Payment Bonds.

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

6.04 Employment Opportunity.

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

6.05 Other Provisions.

In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement),

Section 10.03 (M.B.E./W.B.E. Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the T.I.F.-Funded Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof.

Section 7.

Completion Of Construction Or Rehabilitation.

7.01 Certificate Of Completion Of Construction.

Upon completion of construction of the applicable component of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the Project (the "Final Project Cost"), D.P.D. shall issue to the Developer the Certificate of Completion (the "Certificate of Completion") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

The Certificate of Completion will not be issued until:

- (i) The Anchor Sales have been completed;
- (ii) A Certificate of Occupancy has been issued with respect to the Anchor Stores, or D.P.D. has received other evidence acceptable to D.P.D. that the Anchor Stores have complied with building permit requirements for each Anchor Store, and the Anchor Stores are fully occupied and conducting business;
- (iii) A combined minimum of seventy percent (70%) of the commercial space in the Project (as measured by floor area) has been sold pursuant to the Anchor Sales or leased pursuant to an executed lease;
- (iv) All buildings in the Facility have been constructed according to the approved Plans and Specifications, except for any Out-Lot Stores where the ground lessee under a ground lease has agreed to construct the Out-Lot Store;
- (v) The Developer has satisfied the City's environmental requirements with respect to items such as L.E.E.D. certification and the provision of green roofs, as required under the Planned Development and Section 8.22;

- (vi) Developer has received a Certificate of Occupancy or other evidence acceptable to D.P.D. that the Developer has complied with building permit requirements for each building in the Facility, except for any Out-Lot Stores where the ground lessee under a ground lease has agreed to construct the Out-Lot Store;
- (vii) Developer has completed the site improvements and landscaping throughout the Project according to the approved Plans and Specifications and the Planned Development;
- (viii) the City's Monitoring and Compliance Unit has verified that the Developer and the Anchor Stores are in full compliance with City requirements set forth in Section 10 and Section 8.09 (M./W.B.E., City Residency and Prevailing Wage) with respect to construction of the Project, including those improvements constructed by Anchor Stores, and that one hundred percent (100%) of the Developer's M.B.E./W.B.E. Commitment in Section 10.03 has been fulfilled;
- (ix) Developer has incurred costs for T.I.F.-Funded Improvements in an amount equal to or higher than (a) Twenty-two Million Dollars (\$22,000,000) plus (b) the amount of any Job Training Costs incurred under Section 8.21 hereof; unless Developer has agreed to a lesser amount; and
- (x) there exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

D.P.D. shall respond to the Developer's written request for a Certificate of Completion within forty-five (45) days by issuing either a Certificate of Completion or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate of Completion. The Developer may resubmit a written request for a Certificate of Completion upon completion of such measures.

7.02 Effect Of Issuance Of Certificate Of Completion; Continuing Obligations.

The Certificate of Completion relates only to the construction of the applicable component of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate of Completion, 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 a Certificate of Completion shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06(a) and 8.19 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate of Completion; provided, that upon the issuance of a Certificate of Completion, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate of Completion shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure To Complete.

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

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

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

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

7.04 Notice Of Expiration Of Term Of Agreement.

Upon the expiration of the Term of the Agreement, D.P.D. shall provide the

Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

Section 8.

Covenants/Representations/Warranties Of The Developer.

8.01 General.

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

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

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

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

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

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

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending,

threatened or affecting the Developer which would impair its ability to perform under this Agreement;

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

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

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

(j) the Developer shall not do any of the following without the prior written consent of D.P.D., which shall be in D.P.D.'s sole discretion: (1) prior to the issuance of the Certificate of Completion, (A) be a party to any merger, liquidation or consolidation; (B) enter into any transaction outside the ordinary course of the Developer's business (except for the Anchor Sales and leases to tenants of the Out-Lot Stores, Junior Anchors and In-Line Stores that comply with the requirements of this Agreement); (C) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (D) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; or (2) for a period of five (5) years from the issuance of the Certificate of Completion, and subject to Section 18.15, sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business (i.e. the Anchor Sales and leases to tenants of the Out-Lot Stores, Junior Anchors and In-Line Stores that comply with the requirements of this Agreement);

(k) the Developer has not incurred, and, prior to the issuance of a Certificate of Completion, shall not, without the prior written consent of the Commissioner of D.P.D., allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

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

8.02 Covenant To Redevelop.

Upon D.P.D.'s approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof; and the Developer's receipt of all required building permits and governmental approvals the Developer shall redevelop the Property in accordance with this Agreement and all exhibits attached hereto, the T.I.F. Ordinances, the Planned Development, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate of Completion with respect thereto.

8.03 Redevelopment Plan.

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

8.04 Use of City Funds.

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

8.05 Other Bonds.

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

8.06 Use And Occupancy; Job Creation.

(a) Upon the issuance of the Certificate of Completion, the Developer shall maintain for the twelve (12) months preceding Developer's delivery of an occupancy progress report to D.P.D., an average occupancy equal to the Minimum Occupancy (the "Average Minimum Occupancy") in order to receive payments on City Note B. Developer shall deliver, with the Developer's requisition for its annual City Note B payments, an occupancy progress report detailing compliance with the requirement to maintain an Average Minimum Occupancy (the "Occupancy Report") for the period beginning on January 1st of the preceding year to December 31st of the current year, such request to be submitted each year, through the 10th anniversary of the issuance of the Certificate of Completion. The Developer (i) shall cause the Property to be used as a retail shopping center, including the Anchor Stores, as permitted pursuant to the Redevelopment Plan, the Planned Development and this Agreement; (ii) shall lease to tenants whose operations shall not include any Prohibited Uses as set forth in (Sub)Exhibit K, without the consent of the Commissioner, and (iii) shall not include any restriction upon the use and operation of the Property and the Project, other than restrictions relating to Prohibited Uses and the O.E.A. Provisions, in any contract of sale or deed (or similar instrument) of conveyance. Wherever there is a conflict between the permitted uses of the Property and the Project, between this Agreement and the other controlling documents set forth above, the terms of this Agreement shall control. The covenants in this

Section 8.06(a) shall run with the land for the Term of the Agreement and be binding upon any transferee.

(b) The Developer anticipates that the Project will result in the creation of approximately seven hundred fifty (750) full-time equivalent, permanent jobs at the Project at the completion thereof to be retained or created at the Facility through the Term of the Agreement.

8.07 Employment Opportunity Progress Reports.

The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor, each Anchor Store and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is twenty-five percent (25%), fifty percent (50%), seventy percent (70%) and one hundred percent (100%) completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to D.P.D. which shall outline, to D.P.D.'s satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile.

The Developer shall submit, and contractually obligate and cause the General Contractor, each Anchor Store or any subcontractor to submit, to D.P.D., from time to time, statements of its employment profile upon D.P.D.'s request.

8.09 Prevailing Wage.

The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor, each Anchor Store and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all of their respective employees working on constructing the Project or otherwise completing the T.I.F.-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, the Developer shall provide the City with copies of all such contracts entered into by the Developer, the General Contractor or each Anchor Store to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions.

Unless D.P.D. has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any T.I.F.-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon D.P.D.'s request, prior to any such disbursement.

8.11 Conflict Of Interest.

Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure Of Interest.

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

8.13 Financial Statements.

The Developer shall obtain and provide to D.P.D. Financial Statements for the Developer's fiscal year ended 2005 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as D.P.D. may request.

8.14 Insurance.

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

8.15 Non-Governmental Charges.

(a) Payment Of Non-Governmental Charges.

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

(b) Right To Contest.

The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

8.16 Developer's Liabilities.

The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify D.P.D. of any and all

events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance With Laws.

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

8.18 Recording And Filing.

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(ii) Right To Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and

prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to D.P.D. of the Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option. (i) the Developer shall demonstrate to D.P.D.'s satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

8.20 Public Benefits Program.

The Developer agrees to contribute the sum of One Hundred Twenty-five Thousand Dollars (\$125,000) to entity(ies) or program(s) designated by the City, due and payable on the Closing Date.

8.21 Job Readiness Program.

The Developer shall undertake, and shall require each Anchor Store to undertake, a job readiness program, to work with the City, through the Mayor's Office of

Workforce Development ("M.O.W.D."), to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Property. In addition, the Developer shall send a letter (with a copy to D.P.D.) to any tenants to familiarize them with the programs established by the City and available through M.O.W.D. for the purpose of helping prepare individuals to work for businesses located within the T.I.F. district. Upon the Commissioner's request, the Developer will agree to pay to M.O.W.D. an amount necessary (but not to exceed Two Hundred Thousand Dollars (\$200,000) for job training and job readiness programs related to the Project (the "Job Training Costs"); provided, however, that the principal amount of City Note B shall be increased by the amount of the Job Training Costs if the Developer has not offset these Job Training Costs against payments to be made to the City of seventy-five percent (75%) of the amount of the Excess Anchor Sales Proceeds, if any, under Section 8.23.

8.22 Green Roof L.E.E.D. Certification.

The Developer shall comply with and shall contractually obligate each tenant of the Project, as applicable, to comply with the following requirements with respect to the Project:

(a) Retail buildings with a footprint of ten thousand (10,000) square feet or more have two options: (1) include a green roof on seventy-five percent (75%) of all flat roof surfaces, an Energy Star-rated surface on the remainder, and be encouraged to achieve L.E.E.D. certification; or (2) include a green roof on fifty percent (50%) of all flat roof surfaces, an Energy Star-rated surface on the remainder, and be required to achieve L.E.E.D. certification.

(b) Retail buildings with a footprint of less than ten thousand (10,000) square feet have two options: (1) include a green roof on twenty-five percent (25%) of all flat roof surfaces and be encouraged to achieve L.E.E.D. certification; or (2) install Energy Star-rated surface on all flat roof areas and achieve L.E.E.D. certification.

(c) The green roof square footage requirement may be divided among the roof areas of all the buildings in the Planned Development as long as the total required green roof square footage is met at the end of the project. All green roof plans must be approved by D.P.D.

(d) D.P.D. also strongly encourages the use of stormwater "best management practices" such as natural landscaping, permeable paving, drainage swales, and naturalized detention basins, which limit the amount of stormwater entering our combined sewer system. A guide to stormwater best management practices can be obtained from D.P.D. in Room 1101 City or can be downloaded from the Chicago Center for Green Technology website.

8.23 Anchor Sales Adjustment.

With respect to the closing of each Anchor Sale, the Developer shall submit to D.P.D., together with such other documents or certificates as D.P.D. may reasonably request, the following: (a) within five (5) business days before the closing, a copy of the signed purchase and sale agreement, including all exhibits, and an estimate of the gross proceeds from such Anchor Sale, including proceeds of the land sale and cost reimbursements, and (b) within five (5) business days after the closing, a certified closing statement for such Anchor Sale. Within five (5) business days before the final Anchor Sale, the Developer shall submit to D.P.D. a calculation of the Anchor Sales Proceeds. The City shall be entitled to receive seventy-five percent (75%) of the amount of the Excess Anchor Sales Proceeds. At the discretion of D.P.D., (a) the Developer shall pay seventy-five percent (75%) of the amount of the Excess Anchor Sales Proceeds, if any, to the City upon the closing of the final Anchor Sale, or (b) the original principal amount of City Note B shall be reduced by seventy-five percent (75%) of the amount of the Excess Anchor Sales Proceeds, if any. Notwithstanding the foregoing, if upon the closing of the final Anchor Sale, the Developer has paid Job Training Costs for which the amount of City Note B has not been correspondingly increased under Section 8.21, then the Developer may offset these Job Training Costs against payments to be made to the City of seventy-five percent (75%) of the amount of the Excess Anchor Sales Proceeds, if any.

8.24 Payment Of City Amount.

If the net operating income of the Project in the first stabilized year exceeds Three Million Two Hundred Thirteen Thousand Six Hundred Twelve Dollars (\$3,213,612), then the Developer shall be required to pay to the City the City Amount (as defined below). At the Developer's discretion, (a) the Developer shall pay the City fifty percent (50%) of the net income of the Project until the entire City Amount has been paid or (b) the original principal amount of City Note B shall be reduced by the City Amount. If the Developer should sell or refinance the Project (subject to any City approval that may be required) before the City Amount has been fully recovered, the balance shall be due to the City at the time of sale.

(a) The "Capitalized Value of the Project at Stabilization" shall mean the net operating income of the Project at Stabilization (as defined below) divided by seven percent (7%) (the capitalization rate used in the Application). If the Developer chooses to sell or ground lease additional parcels beyond the Anchor Sales, the City shall estimate the foregone income from the buildings constructed on these parcels as outlined in the Application, and include this foregone income in its calculation of the Capitalized Value of the Project at Stabilization. If the Developer chooses to sign a lease for Project space which provides for an escalation in rents differing from that outlined in the Application, which assumed that rents would increase eleven percent (11%) in the fifth (5th) year of all leases, then the City shall use the average

rent for the first four (4) years in calculating the Capitalized Value of the Project at Stabilization.

(b) "Stabilization" shall mean the earlier of (a) the first (1st) full year in which occupancy for the Project is greater than ninety-five percent (95%) or (b) the one (1) year period ending December 31, 2010. Total management fees and unrecoverable operating expenses in excess of seven and five-tenths percent (7.5%) of base rent during the first stabilized year shall be disallowed for the purposes of this calculation.

(c) "City Amount" shall mean fifty percent (50%) of the remainder of (a) the Capitalized Value of the Project at Stabilization minus (b) the capitalized value implied in the Project's cash flow pro forma Forty-five Million Nine Hundred Eight Thousand Seven Hundred Forty-three Dollars (i.e., \$45,908,743).

8.25 Survival Of Covenants.

All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate of Completion) shall be in effect throughout the Term.

Section 9.

Covenants/Representations/Warranties Of City.

9.01 General Covenants.

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

9.02 Survival Of Covenants.

All warranties, representations and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution,

delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

Section 10.

Developer's Employment Obligations.

10.01 Employment Opportunity.

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010, et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement.

The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and each Anchor Store and shall cause the General Contractor and each Anchor Store to contractually obligate their respective 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 fifty percent (50%) of the total worker hours worked by persons on the site of the Project, taken as a whole, shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor, each Anchor Store and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago

in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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

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

The Developer, the General Contractor, each Anchor Store and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of D.P.D., the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor, each Anchor Store 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 D.P.D., affidavits and other supporting documentation will be required of the Developer, the General Contractor, each Anchor Store and each subcontractor to verify or clarify an employee’s actual address when doubt or lack of clarity has arisen.

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of noncompliance,

it is agreed that one-twentieth of one percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 multiplied by such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts), but excluding tenant improvements that are not undertaken by the Developer or the Anchor Stores, shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor, the Anchor Stores and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

10.03. M.B.E./W.B.E. Commitment.

The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor and each Anchor Store, to agree that during the construction of the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420, et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650, et seq., Municipal Code of Chicago (the "Construction Program", and collectively with the Procurement Program, the "M.B.E./W.B.E. Program"), and in reliance upon the provisions of the M.B.E./W.B.E. Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project:

- (1) at least twenty-four percent (24%) of the "M.B.E. Amount" of the M.B.E./W.B.E. Budget (as set forth in (Sub)Exhibit H-2 hereto) shall be expended for contract participation by M.B.E.s; and

- (2) at least four percent (4%) of the "W.B.E. Amount" of the M.B.E./W.B.E. Budget as set forth in (Sub)Exhibit H-2 hereto) shall be expended for contract participation by W.B.E.s.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's M.B.E./W.B.E. commitment may be achieved in part by the Developer's status as an M.B.E. or W.B.E. (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 M.B.E.s or W.B.E.s (but only to the extent of the lesser of (i) the M.B.E. or W.B.E. participation in such joint venture or (ii) the amount of any actual work performed on the Project by the M.B.E. or W.B.E.), by the Developer utilizing a M.B.E. or a W.B.E. as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more M.B.E.s or W.B.E.s, or by the purchase of materials or services used in the Project from one or more M.B.E.s or W.B.E.s, or by any combination of the foregoing. Those entities which constitute both a M.B.E. and a W.B.E. shall not be credited more than once with regard to the Developer's M.B.E./W.B.E. commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any M.B.E. or W.B.E. General Contractor or subcontractor without the prior written approval of D.P.D.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this M.B.E./W.B.E. commitment. Such reports shall include, inter alia, the name and business address of each M.B.E. and W.B.E. solicited by the Developer, the General Contractor or the Anchor Stores to work on the Project, and the responses received from such solicitation, the name and business address of each M.B.E. or W.B.E. actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this M.B.E./W.B.E. commitment. The Developer shall maintain records of all relevant data with respect to the utilization of M.B.E.s and W.B.E.s in connection with the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five (5) Business Days notice, to allow the City to review the Developer's compliance with its commitment to M.B.E./W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the Project.

(e) Upon the disqualification of any M.B.E. or W.B.E. General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified M.B.E. or W.B.E. as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

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

Section 11.

Environmental Matters.

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be

constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

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

Section 12.

Insurance.

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

A. Prior To Execution And Delivery Of This Agreement.

1) Workers' Compensation And Employer's Liability.

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employer's Liability coverage with limits of not less than One Hundred Thousand Dollars (\$100,000) each accident, illness or disease.

2) Commercial General Liability (Primary And Umbrella).

Commercial General Liability Insurance or equivalent with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily

injury, personal injury, and property damage liability. Coverages must include the following: all premises and operations (products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the work.

3) All Risk Property.

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

B. Construction.

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

1) Workers' Compensation And Employer's Liability.

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employer's Liability coverage with, limit of not less than Five Hundred Thousand Dollars (\$500,000) each accident, illness or disease.

2) Commercial General Liability (Primary And Umbrella).

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

3) Automobile Liability (Primary And Umbrella).

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

with limits of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, noncontributory basis.

4) Railroad Protective Liability.

When any work is to be done adjacent to or on railroad or transit property, Developer must provide or cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than Two Million Dollars (\$2,000,000) per occurrence and Six Million Dollars (\$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.

5) All Risk/Builders Risk.

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

6) Professional Liability.

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

7) Valuable Papers.

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must

be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the recreation and reconstruction of such records.

8) Contractors Pollution Liability.

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than One Million Dollars (\$1,000,000) per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

C. Post Construction.

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

D. Other Requirements.

The Developer must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer

shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

Section 13.

Indemnification.

13.01 General Indemnity.

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

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

(ii) the Developer's or any contractor's failure to pay the General Contractor, subcontractors or materialmen in connection with the T.I.F.-Funded Improvements or any other Project improvement; or

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

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

provided, however, that Developer shall have no obligation to an Indemnatee arising from the wanton or willful misconduct of that Indemnatee. To the extent that the preceding sentence may be unenforceable because it is violate of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

Section 14.

Maintaining Records/Right To Inspect.

14.01 Books And Records.

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

14.02 Inspection Rights.

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

Section 15.

Default And Remedies.

15.01 Events Of Default.

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

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

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other

agreement with any person or entity if such failure may have a material adverse effect on the Developer's business property, assets, operations or condition, financial or otherwise;

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

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

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer;

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

indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor); or

(k) without the prior written consent of the City, for a period of five (5) years from the issuance of the Certificate of Completion, any sale, transfer, conveyance, lease or other disposition of all or substantially all of Developer's assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or as otherwise expressly permitted by this Agreement, including without limitation the Anchor Sales and leases to tenants of the Out-Lot Stores, Junior Anchors and In-Line Stores that comply with the requirements of this Agreement.

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

15.02 Remedies.

Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend payments due on City Note B or terminate City Note B and receive reimbursement of any payments made on City Note B. 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 the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and

thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that the only cure provisions with respect to the Developer's failure to comply with the occupancy covenant requiring Developer to maintain an Average Minimum Occupancy under Section 8.06 hereof are contained in Section 15.04 below.

15.04 Occupancy Curative Period.

(a) Notwithstanding any other provision of this Agreement to the contrary, an Event of Default with respect to Developer's obligation to maintain the Average Minimum Occupancy (an "Occupancy Default"), shall not be deemed to have occurred, unless the Developer: i) has failed to cure the Occupancy Default within one (1) year of the date the City receives an Occupancy Report specifying such default (the "Receipt Date"), such period to be defined as the "Minimum Cure Period", or ii) has cured a previous Occupancy Default within the Maximum Cure Period (defined herein); provided, however, if an Occupancy Default described in subpart (i) of this Section 15.04(a) is not cured within the Minimum Cure Period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within the Minimum Cure Period and thereafter cures such default within two (2) years of the related Receipt Date; provided, further, that the Developer will be allowed a maximum of two (2) Minimum Cure Periods to cure an Occupancy Default or such other longer time period as approved by the Commissioner of D.P.D. in her/his sole discretion (the "Maximum Cure Period").

(b) If the Developer submits an Occupancy Report which describes an Occupancy Default, but has maintained the Minimum Occupancy in the thirty (30) days preceding the Receipt Date and has provided the City with evidence that it has contracted for the Minimum Occupancy for the following year, then the Developer will not be deemed to have incurred an Occupancy Default in relation to such Occupancy Report.

(c) If the Developer has cured all Occupancy Defaults, the Developer shall continue to deliver Occupancy Reports and maintain the Average Minimum Occupancy after the tenth (10th) anniversary of the issuance of the Certificate of Completion for the number of years for which the Developer did not report maintaining the Average Minimum Occupancy.

15.05 Occupancy Remedies.

(a) Upon the occurrence of an Occupancy Default which constitutes an Event of Default as described in Section 15.04(a), the City may terminate this Agreement and all related agreements, and may suspend payments of City Note B or terminate City Note B. 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 performances of the agreements contained herein.

(b) Upon the occurrence of an Event of Default pursuant to an Occupancy Default under Section 15.04, the City may suspend payments due under City Note B, until the Developer reports an Average Minimum Occupancy in an Occupancy Report, and no interest shall accrue on City Note B during the year described in the Occupancy Report with an Occupancy Default or during the Minimum Cure Period. If an Occupancy Default is not cured within the Minimum Cure Period, then no interest shall accrue on City Note B during the years described in the applicable Occupancy Report with an Occupancy Default or for the cure period applicable to such failure. No principal payments shall be made on City Note B while there exists an Occupancy Default.

Section 16.

Mortgaging Of The Project.

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

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

but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate of Completion 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 D.P.D.

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, Illinois 60602
Fax: (Omitted for printing purposes)
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
Finance and Economic Development
Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Fax: (Omitted for printing purposes)

If To The Developer:

Primestor 119 L.L.C.
120 North LaSalle Street, Suite 1210
Chicago, Illinois 60602
Fax: (Omitted for printing purposes)
Attention: Arturo Sneider

with copies to:

DLA Piper Rudnick Gray Cary
203 North LaSalle Street,
Suite 1900
Chicago, Illinois 60601-1293
Fax: Omitted for printing purposes)
Attention: Richard Klawiter

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

Section 18.

Miscellaneous.

18.01 Amendment.

This Agreement and the exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the

City, in its sole discretion, may amend, modify or supplement (Sub)Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

18.02 Entire Agreement.

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

18.03 Limitation Of Liability.

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

18.04 Further Assurances.

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

18.05 Waiver.

Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute

a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative.

The remedies of a party hereunder are cumulative and the exercise of any one (1) 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 T.I.F. Ordinances, such ordinances 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, D.P.D. or the Commissioner, or any matter is to be to the City's, D.P.D.'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, D.P.D. or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or D.P.D. in making all approvals, consents and determinations of satisfaction, granting the Certificate of Completion or otherwise administering this Agreement for the City.

18.15 Assignment.

The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.02, 8.06, 8.19 and 8.24 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect.

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

18.17 Force Majeure.

Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 Exhibits.

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

18.19 Business Economic Support Act.

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

18.20 Venue And Consent To Jurisdiction.

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

18.21 Costs And Expenses.

In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including

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

18.22 Business Relationships.

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

In Witness Whereof, The parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

Primestor 119 L.L.C.

By: _____

Its: _____

City of Chicago

By: _____

By: Lori T. Healey

Its: Commissioner, Department of
Planning and Development

State of Illinois)
)SS.
Count of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ of Primestor 119 L.L.C., an Illinois limited liability company (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [_____] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____.

Notary Public

My commission expires: _____

[Seal]

6/28/2006

REPORTS OF COMMITTEES

78853

State of Illinois)
)SS.
County of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that Lori T. 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 he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____ 2006.

Notary Public

My commission expires: _____

[(Sub)Exhibits "A", "D", "E", "F", "I", "N" and City of Chicago Insurance Certificate Form referred to in this Redevelopment Agreement with Primestor 119 L.L.C. unavailable at time of printing.]

(Sub)Exhibits "B", "C", "G", "H-1", "H-2", "J", "K", "L", "M-1", "M-2" and "O" referred to in this Redevelopment Agreement with Primestor 119 L.L.C. read as follows:

(Sub)Exhibit "B".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Property.

Parcel 1.

That part of Lots 1, 2 and 3 in the resubdivision of the east half of the southeast quarter of Section 19, Township 37 North, Range 14 East of the Third Principal

Meridian (except the right-of-way of the Chicago, Rock Island and Pacific Railroad Company), lying south westerly, westerly and northerly of the following described lines:

beginning at point on the north line of said Lot 1 which is 307 feet west of the northeast corner thereof (as measured along said north line) and running; thence southeasterly a distance of 21.17 feet to an intersection with a line which is 332 feet west of and parallel with the east line of the southeast quarter aforesaid, said intersection being 15 feet south of the aforementioned north line of Lot 1 (measured at right angles thereto); thence south along said parallel line a distance of 673.30 feet to a point which is 1,932.12 feet north of and 332 feet west of the southeast corner of said southeast quarter (as measured, respectively, along the east line thereof and at right angles thereto); thence southeasterly along a line which, extended, passes through a point 1,305.81 feet north of and 299.52 feet west of the southeast corner of said southeast quarter (as measured, respectively, along the east line thereof and at right angles thereto) a distance of 87.43 feet to a point on a line which is 775.62 feet south of (measured at right angles thereto) and parallel with the north line of Lot 1 aforesaid; thence west along said parallel line a distance of 282.53 feet to a point on a line which is 610 feet west of and parallel with the east line of the southeast quarter aforesaid; thence south along the last described parallel line a distance of 414.00 feet to a point on a line which is 1,189.62 feet south of (measured at right angles thereto) and parallel with the north line of Lot 1 aforesaid; thence west along the last described parallel line a distance of 80.00 feet to point on a line which is 690 feet west of (measured at right angles thereto) and parallel with the east line of the southeast quarter aforesaid; thence south along the last described parallel line a distance of 109.84 feet to a point on the south line of Lot 3 aforesaid; thence west along said south line a distance of 276.29 feet to the southwest corner of said Lot 3; in Cook County, Illinois.

Parcel 2.

All of Lots 1 to 6 in the resubdivision of the east half of the southeast quarter of Section 19, Township 37 North, Range 14 East of the Third Principal Meridian, (except that part of the land taken in Condemnation Case 03L50655) and (except the right-of-way of the Chicago, Rock Island and Pacific Railroad Company) and except that part of said lots lying easterly of the following described lines:

beginning in the south line of said Lot 6, 352 feet west of the east line of said quarter section (as measured in said south line); thence northeasterly to a point, 58 feet north of and 332 feet west of the southeast corner of said southeast quarter (as measured north in the east line thereof and at right angles thereof);

thence north parallel with the east line of said quarter section a distance of 421.62 feet; thence northeasterly to a point 1,105.81 feet north of and 299.52 feet west of the southeast corner of said quarter section (as measured north in the east line thereof and at right angles thereto); thence north parallel with the east line of said quarter section a distance of 200 feet; thence northwesterly to a point 1,932.12 feet north of and 332 feet west of the southeast corner of said quarter section (as measured in the east line thereof and at right angles thereto); thence north parallel with the east line of said quarter section to the intersection with a line 15 feet south of and parallel with the north line of Lot 1 aforesaid, thence northwesterly to the north line of said Lot 1, 307 feet west of the northeast corner thereof (as measured in said north line), and also excepting therefrom that part of Lots 1, 2 and 3 in the resubdivision of the east half of the southeast quarter of Section 19, Township 37 North, Range 14 East of the Third Principal Meridian, (except the right-of-way of the Chicago, Rock Island and Pacific Railroad Company), lying southwesterly, westerly, and northerly of the following described lines:

beginning at a point on the north line of said Lot 1 which is 307 feet west of the northeast corner thereof (as measured along said north line) and running; thence southeasterly a distance of 21.17 feet to an intersection with a line which is 332 feet west of and parallel with the east line of the southeast quarter aforesaid, said intersection being 15 feet south of the aforementioned north line of Lot 1 (measured at right angles thereto); thence south along said parallel line a distance of 673.30 feet to a point which is 1,932.12 feet north of and 332 feet west of the southeast corner of said southeast quarter (as measured, respectively, along the east line thereof and at right angles thereto); thence southeasterly along a line which, extended, passes through a point 1,305.81 feet north of and 299.52 feet west of the southeast corner of said southeast quarter (as measured, respectively, along the east line thereof and at right angles thereof) a distance of 87.43 feet to a point on a line which is 775.62 feet south of (measured at right angles thereto) and parallel with the north line of Lot 1 aforesaid; thence west along said parallel line a distance of 282.53 feet to a point on a line which is 610 feet west of and parallel with the east line of the southeast quarter aforesaid; thence south along the last described parallel line a distance of 414.00 feet to a point on a line which is 1,189.62 feet south of (measured at right angles thereto) and parallel with the north line of Lot 1 aforesaid; thence west along the last described parallel line a distance of 80.00 feet to a point on a line which is 690 feet west of (measured at right angles thereto) and parallel with the east line of the southeast quarter aforesaid; thence south along the last described parallel line a distance of 109.84 feet to a point on the south line of Lot 3 aforesaid; thence west along said south line a distance of 276.29 feet to the southwest corner of said Lot 3; in Cook County, Illinois.

(Sub)Exhibit "C".
 (To Redevelopment Agreement
 With Primestor 119 L.L.C.)

T.I.F.-Funded Improvements.

Line Item	Cost
Property assembly costs, including acquisition of land, demolition of buildings, site preparation, site improvements that serve as engineered barriers and the clearing and grading of land	\$39,402,499
Costs of Construction of Public Works or Improvements	500,000
TOTAL:	\$39,902,499

Note: Notwithstanding the total dollar amount of T.I.F.-Funded Improvements listed above, the financial assistance to be provided by the City under this Agreement is limited to Twenty-four Million Dollars (\$24,000,000), subject to increase and decrease as provided in Section 4.03.

(Sub)Exhibit "G".
 (To Redevelopment Agreement
 With Primestor 119 L.L.C.)

Permitted Liens.

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but

only so long as applicable title endorsements issued in conjunction therewith on the date hereof if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any:
-
-

(Sub)Exhibit "H-1".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Project Budget.

Hard Costs -- Breakdown:

Environmental	\$ 2,469,000
Utility Relocations	500,000
Demolition	1,300,000
On-Site	12,113,797
Shell and Tenant Improvements	14,906,798
Landscape	1,157,084
Signage	600,000
Hard Costs Contingency	1,552,334
Off-Site	<u>955,881</u>
Total:	\$35,554,894

Soft Costs -- Breakdown:

Architectural, S, M, E, P, L and Fire	\$ 637,000
Civil Engineering	370,000
Offsite Engineering	100,000
Environmental Engineering	25,000
Cost Review and Value Engineering	25,000
T.I.F. Consultant and Legal	116,500
Accounting and Leasing Legal	195,000
Leasing Commissions	2,263,000
Utility Connection Fees	500,000
Deputy and Field Inspections	300,000
Mitigation, Permits and Fees	650,000
Builder's Risk	374,889
Property Taxes	980,000
Property Tax Consultant	15,000
Construction Management	316,227
Developer's Fees	1,296,015
Property Maintenance	68,640
Administrative Fee	192,000
Costs Prior to Pre-Development	752,903
Soft Costs Contingencies	277,819
Interest on Pre-Development Loan	1,939,984
Loan Fees on Construction Loan	265,000
Title and Closing Costs (combined)	135,625
Interest on Construction Loan	2,457,000
Loan Fees on Construction Loan	<u>370,000</u>
Total:	\$14,622,602

Other Costs:

Land Acquisition	\$25,000,000
Estimated Anchor Tenant Construction Cost	<u>15,000,000</u>
TOTAL DEVELOPMENT BUDGET:	\$90,177,496

(Sub)Exhibit "H-2".
 (To Redevelopment Agreement
 With Primestor 119 L.L.C.)

M.B.E./W.B.E Budget.

Primestor	Total
Environmental	\$ 469,000
Utility Relocations	500,000
Demolition	1,200,000
On-site	9,402,360
Shell and Tenant Improvements	14,356,798
Landscape	1,157,084
Signage	600,000
Off-site	290,447
Architectural, S, M, E, P, L and Fire	637,000
Civil Engineering	370,000
Offsite Engineering	<u>100,000</u>
Subtotal Primestor:	\$29,082,689

Target*

Anticipated Construction Contract	\$ 7,601,950
Assumed AE Fees	<u>152,039</u>
Subtotal Target:	\$ 7,753,989

Home Depot*

Assumed Construction Contract	\$ 6,877,955
Assumed AE Fees	<u>137,559</u>
Subtotal -- Home Depot:	\$ 7,015,514

TOTAL: \$43,852,192

W.B.E. Amount \$ 1,754,088

M.B.E. Amount \$10,524,526

Sub)Exhibit "J".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Opinion Of Developer's Counsel.

_____, 2006.

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Primestor 119 L.L.C., an Illinois limited liability company (the "Developer"), in connection with the purchase of certain land and the

* Scope of work based on design and construction of prototypical buildings only. Site work is not included.

construction of certain facilities thereon located in the 119th/I-57 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) Primestor 119 L.L.C. Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");
- (b) [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
- (c) 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 Incorporation, 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) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; 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 corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [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 [corporation] [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 Incorporation or Bylaws] [describe any formation documents if the Developer is not a corporation] 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. (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

6. 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.

7. 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.

8. 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.

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

10. To 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.

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

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.

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: _____

[(Sub)Exhibit "A" referred to in this Opinion of Developer's
Counsel unavailable at time of printing.]

(Sub)Exhibit "K".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Prohibited Uses.

- Adult oriented businesses.
- Strip clubs.
- Astrology, card-reading, palm-reading or fortune telling businesses.
- Currency exchanges.
- Houses of worship.
- Inter-track wagering facilities.
- Laundromats.

- Pawn shops.
- Pay day loan stores/predatory lenders.
- Tattoo parlors.
- Bingo parlors.
- Game rooms or arcades.
- Night clubs or discotheques.
- Flea markets.
- Junkyard or recycling center.
- Automobile, truck, motorcycle, trailer or recreational vehicle sale, display, or repair.
- Mortuaries or funeral homes.
- Second hand stores or thrift shops.
- Liquidators.
- Beauty shops, beauty supply stores, barber shops, nail salons.
- Taverns.
- Package liquor stores.
- Gasoline service station.
- Discounters occupying less than twenty-five thousand (25,000) square feet.

In addition to the prohibited uses listed above, initial uses that occupy fifty-thousand (50,000) square feet or more must be approved by the Commissioner of the Department of Planning and Development, except for the Anchor Stores, which have been previously approved.

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.

[Developer]

By: _____

Name: _____

Title: _____

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

My commission expires: _____

Agreed and Accepted:

Name: _____

Title: _____

City of Chicago
Department of Planning and Development

(Sub)Exhibit "M-2".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Form Of City Note A.

Registered
Number R-1

Maximum Amount
\$15,700,000

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note
(Primestor 119 L.L.C. Redevelopment Project)
Tax-Exempt Series A.

Registered Owner: Primestor 119 L.L.C.

Interest Rate: ___ per annum

Maturity Date: _____, 2026

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 Fifteen Million Seven Hundred Thousand Dollars (\$15,700,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year until the earlier of Maturity or until this Note is paid in full. 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 (15th) 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 Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Developer, in connection with the development, construction and rehabilitation of an approximately four hundred forty-four thousand (444,000) square foot retail shopping center (the "Project") in the 119th/I-57 Redevelopment 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 "T.I.F. 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 _____, ____ (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 T.I.F. 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 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, as a whole or in part, at a redemption price of one hundred percent (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. Notwithstanding anything to the contrary herein, this Note shall not, without the consent of the Registered Owner, be prepaid for a period of five (5) years following the date of issuance of the Certificate of Completion defined in the Redevelopment Agreement (as defined below)

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 or 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 the Redevelopment Agreement (as defined below), 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 (15th) 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 dated as of _____, ____ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to and construct the Project and to advance funds for the rehabilitation of certain facilities related to the Project on behalf of the City. The cost of such construction and rehabilitation in the amount of \$_____ shall be deemed to be a disbursement of the proceeds 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.

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 (_____Redevelopment Project), Tax-exempt 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.

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
Fifteen Million Seven Hundred Thousand Dollar
(\$15,700,000) Tax Increment Allocation Revenue Note
(Primestor 119 L.L.C. Redevelopment Project, Tax-
Exempt Series A) (the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on _____, 2006 (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 Redevelopment Note 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 Redevelopment Note is \$_____, including the amount of this Certificate and less payment made on the Note.

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

(Sub)Exhibit "M-2".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

Form Of City Note A.

Registered
Number R-1

Maximum Amount
[\$7,300,000]⁽¹⁾

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note
(Primestor 119 L.L.C. Redevelopment Project)
Taxable Series B.

Registered Owner: Primestor 119 L.L.C.

Interest Rate: ___ per annum

Maturity Date: _____, 2026

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

(1) If required under Section 8.21 of the Redevelopment Agreement (as defined below), the Maximum Amount of this Note shall be increased to an amount not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000).

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 Seven Million Three Hundred Thousand Dollars (\$7,300,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year until the earlier of Maturity or until this Note is paid in full. 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 (15th) 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 Seven Million Three Hundred Thousand Dollars (\$7,300,000) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Developer, in connection with the development, construction and rehabilitation of an approximately four hundred forty-four thousand (444,000) square foot retail shopping center (the "Project") in the 119th/I-57 Redevelopment 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 "T.I.F. 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 _____, 2006 (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 T.I.F. 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, as a whole or in part, at a redemption price of one hundred percent (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. Notwithstanding anything to the contrary herein, this Note shall not, without the consent of the Registered Owner, be prepaid for a period of five (5) years following the date of issuance of the Certificate of Completion defined in the Redevelopment Agreement (as defined below)

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 or 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 the Redevelopment Agreement (as defined below), 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 (15th) 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 dated as of _____, 2006 between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to construct the Project and to advance funds for the rehabilitation of certain facilities related to the Project on behalf of the City. The cost of such construction and rehabilitation in the amount of \$_____ shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 and Section 15.06 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, and the City has reserved the right to offset liquidated damage amounts owed to the City against the principal amount outstanding under this Note. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. 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.

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

Registrar and Paying Agent

Certificate
Of
Authentication

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 (_____ Redevelopment Project), Tax-exempt 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.

Signatures 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.

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City") Seven Million Three Hundred Thousand Dollars (\$7,300,000) Tax Increment Allocation Revenue Note (Primestor 119 L.L.C. Redevelopment Project, Taxable Series B) (the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment

Note, pursuant to the ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on _____, 2006 (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 Redevelopment Note 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 Redevelopment Note is \$_____, including the amount of this Certificate and less payment made on the Note.

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 "O".
(To Redevelopment Agreement
With Primestor 119 L.L.C.)

O.E.A. Provisions.

No use shall be permitted within the Shopping Center which is inconsistent with the operation of a first-class retail shopping center. Without limiting the generality of the foregoing, the following uses shall not be permitted:

- (A) Any use which emits an obnoxious odor, noise or sound which can be heard or smelled outside of any Building in the Shopping Center; provided that the following shall be permitted: background music and customer paging which is heard outside of a Building as is consistent with the operation of other first class shopping centers.
- (B) An operation primarily used as a storage warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural or mining operation.
- (C) Any "second hand" store, "surplus" store, or pawn shop; provided that this prohibition shall not prohibit (1) the sale and/or leasing by a store of used D.V.D.s, used C.D.s, or used video games so long as no more than a total of fifteen percent (15%) of such store's gross sales in the Shopping Center are collectively from the sale of used D.V.D.s, used C.D.s and used video games and the lease of used D.V.D.s, used C.D.s and used video games, or (2) first class antique stores.
- (D) Any mobile home park, trailer court, labor camp, junkyard, or stockyard; provided, however, this prohibition shall not be applicable to the temporary use of construction trailers during periods of construction, reconstruction or maintenance.
- (E) Any dumping, disposing, incineration or reduction of garbage; provided, however, this prohibition shall not be applicable to garbage compactors located near the rear of any Building.
- (F) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation.
- (G) Any central laundry, dry cleaning plant or laundromat; provided, however, this prohibition shall not be applicable to nominal supportive facilities for on-site service oriented to pickup and delivery by the ultimate consumer as the same may be found in retail shopping centers in the metropolitan area where the Shopping Center is located. Notwithstanding the foregoing, a Laundromat containing not more than three thousand (3,000) square feet of floor area may be located on Parcel 4.
- (H) Any automobile, truck, trailer or recreational vehicle sales, leasing, display or body shop repair operation; provided that Permitted Auto Use shall be allowed on the Outparcels. For purposes of this Agreement, "Permitted Auto Use" shall mean an automotive parts/supply retail establishment, a muffler and brake repair and installation facility, or a tire battery and auto repair and installation facility.

- (I) Any bowling alley or skating rink.
- (J) Any movie theater or live performance theater except on Outparcel 5.
- (K) Any hotel, motel, short or long term residential use, including but not limited to: single-family dwellings, townhouses, condominiums, other multi-family units, and other forms of living quarters, sleeping apartments or lodging rooms.
- (L) Any veterinary hospital or animal raising or boarding facility; provided, however, this prohibition shall not be applicable to pet shops. Notwithstanding the forgoing exception, any veterinary or boarding services provided in connection with the operation of a pet shop shall only be incidental to such operation; the boarding of pets as a separate customer service shall be prohibited; all kennels, runs and pens shall be located inside the Building; and the combined incidental veterinary and boarding facilities shall occupy no more than fifteen percent (15%) of the Floor Area of the pet shop; provided further however, that this prohibition shall not be applicable to any national or regional retailer such as PetSmart or Petco, or such national or regional retailer operating at least fifteen (15) stores as said stores are operating on the date of this O.E.A. consistent with national operating procedures of such retailer.
- (M) Any mortuary or funeral home.
- (N) Any establishment selling or exhibiting "obscene" material; provided, however, that the sale or rental of books or videos by a national book or video store chain normally located in first-class shopping centers in Illinois (such as, for example, Barnes & Noble, Borders, Blockbuster, Hollywood Video, or West Coast Video, as said stores are operating on the date of this O.E.A.) consistent with the national operating procedures of such chain shall not be prohibited based on the terms of this subsection.
- (O) Any establishment selling or exhibiting drug-related paraphernalia or which exhibits either live or by other means to any degree, nude or scantily clad dancers or wait staff.
- (P) Any bar, tavern, restaurant or other establishment whose reasonably projected annual gross revenues from the sale of alcoholic beverages for on-premises consumption exceeds forty percent (40%) of the gross revenues of such business; provided, however, this prohibition shall not be applicable to family restaurants operating as part of a national or regional chain, such as TGIF, Chili's, Applebee's, and Red Robin, consistent with the national operating procedures of such chain.

- (Q) Any health spa, fitness center or workout facility; any massage parlors or similar establishments; provided that no more than an aggregate of thirty thousand (30 000) square feet of Floor Area on the Developer Tract may be used for first-class day spa purposes so long as such use is not located within three hundred (300) feet of the Building Area of the Target Tract or the Home Depot Tract.
- (R) Any flea market, amusement or video arcade, pool or billiard hall, car wash or dance hall; provided, however, the foregoing restriction shall not prohibit a retail establishment, a theater or a restaurant (such as a Chuck E. Cheese or similar restaurant) from using game machines as an incidental use.
- (S) Any training or educational facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers; provided, however, this prohibition shall not be applicable to (i) on-site employee training by an Occupant incidental to the conduct of its business at the Shopping Center, to an aggregate of ten thousand (10,000) square feet of Floor Area devoted to such use on the Developer Tract so long as such use on the Developer Tract is not located within three hundred (300) feet of the Building Area on the Target Tract or the Home Depot Tract, and (ii) this restriction shall not be deemed to preclude the operation of facilities such as Weight Watchers, Sylvan Learning Centers or SCORE!.
- (T) Any gambling facility or operation, including but not limited to: off-track or sports betting parlor; table games such as blackjack or poker; slot machines, video poker/blackjack/keno machines or similar devices; or bingo hall. Notwithstanding the foregoing, this prohibition shall not be applicable to government sponsored gambling activities or charitable gambling activities, so long as such activities are incidental to the business operation being conducted by the Occupant.

No Party shall use, or permit the use of, Hazardous Materials on, about, under or in its Tract, or the balance of the Shopping Center, except in the ordinary course of its usual business operations conducted thereon, and any such use shall at all times be in compliance with all Environmental Laws.

For the purpose of this section, the term (i) "Hazardous Materials" shall mean and refer to the following: petroleum products and fractions thereof, asbestos, asbestos containing materials, urea formaldehyde, polychlorinated biphenyls, radioactive materials and all (other dangerous, toxic or hazardous pollutants, contaminants, chemicals, material substances and wastes listed or identified in, or regulated by,

any Environmental Law, and (ii) "Environmental Laws" shall mean and refer to the following: all federal, state, county, municipal, local and other statutes, laws, ordinances and regulations which relate to or deal with human health or the environment, all as may be amended from time to time.

No merchandise, equipment or services, including but not limited to vending machines, promotional devices and similar items, shall be displayed, offered for sale or lease, or stored within the Common Area; provided, however, the foregoing prohibition shall not be applicable to:

- (U) the storage of shopping carts on the Common Area; provided that the Party upon whose Tract the carts are located shall be responsible for retrieving and restacking its shopping carts as reasonably necessary to avoid inhibiting the free flow of vehicular and pedestrian traffic throughout the parking areas of the Shopping Center, and after store hours said shopping carts shall be stored on said Party's Tract within cart corrals, on the sidewalk in the locations shown on the Site Plan, or within a Building;
- (V) the installation of an "A.T.M." banking facility within an exterior wall of any Building;
- (W) the display and sale of items related to the Occupant's retail business at the Shopping Center on the sidewalk in front of any Building (the "Sidewalk Sales Area"); provided, however, such Occupant shall be responsible for the cleaning and maintenance of such Sidewalk Sales Area during such periods it is used for this purpose;
- (X) the placement of bicycle racks and landscaping planters on the sidewalk in front of any Building;
- (Y) the placement of spherical bollards (Target's brand) on the sidewalk in front of any Building on the Target Tract;
- (Z) temporary Shopping Center promotions, except that no promotional activities (exclusive of sidewalk sales) will be allowed in the Common Area without the prior written approval of the Approving Parties;
- (AA) any recycling center required by law, the location of which shall be subject to the approval of the Approving Parties;
- (BB) outdoor seating shown on the Site Plan;
- (CC) any designated Outside Sales Area; provided, however, with respect to any Outside Sales Area which is not included within a Building Area, such space may be used not more than three (3) times per calendar year, and the duration of such use shall be subject to the following limitations:

during the period commencing on October 15th and ending on December 27th -- no limitation on the number of days of consecutive use; during the period commencing February 15th and ending on July 10th -- not more than one hundred twenty-five (125) consecutive days of use; and, during any other period -- not more than thirty (30) consecutive days of use; or

- (DD) minor convenience facilities, such as mailboxes, newspaper racks, public telephones, and benches; provided, however, that no such minor convenience facility shall interfere with, restrict or impede other uses of the Common Area provided for in this OEA.

Other than as depicted on the Site Plan, and as long as the Target Tract is being operated as a Target Store, Target Greatland Store or Super Target Store, as to Target, and as long as the Home Depot Tract is being operated as a Home Depot Store, as to Home Depot, the following use and occupancy restrictions shall be applicable to the Developer Tract:

- (EE) No Restaurant shall be located thereon within one hundred (100) feet of the Building Area located on the Target Tract or the Home Depot Tract.
- (FF) As to Target only: No drug store exceeding ten thousand (10,000) square feet of Floor Area shall be permitted, and no store of any size selling or offering for sale any pharmaceutical products requiring the services of a licensed pharmacist shall be permitted other than as part of a supermarket operation. The terms of the immediately preceding sentence shall cease to apply and shall no longer be in force if (x) [1] a Pharmacy (as defined below) is not operating on the Target Tract within a period of twenty-four (24) months after the date of this OEA, [2] after said twenty-four (24) month period Developer provides Target with written notice that the pharmacy exclusive is at risk of expiring if a Pharmacy is not operating on the Target Tract within thirty (30) days after Target's receipt of said notice, and [3] a Pharmacy is not operating on the Target Tract within thirty (30) days after Target's receipt of said notice, or (y) [i] a Pharmacy is operating on the Target Tract within a period of twenty-four (24) months after the date of this OEA, but after said initial operation of a Pharmacy on the Target Tract, there is no Pharmacy operating on the Target Tract for a continuous period of three hundred sixty five (365) days or longer, [ii] after said, three hundred sixty-five (365) day period Developer provides Target with written notice that the pharmacy exclusive is at risk of expiring if a Pharmacy is not operating on the Target Tract within thirty (30) days after Target's receipt of said notice, and [iii] a Pharmacy is not operating on the Target Tract within thirty (30) days after Target's receipt of said notice.

For purposes of this Section, the term "Pharmacy" shall mean a business operation including the sale or the offer for sale of any pharmaceutical products requiring the services of a licensed pharmacist. The above-referenced twenty-four (24) month and three hundred sixty-five (365) day periods shall be tolled where there is no Pharmacy is operating on the Target Tract due to fire or other casualty, condemnation, remodeling, repairs, acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, the failure of Developer to perform under the Site Development Agreement by and between Developer and Target dated on or about the date of this O.E.A. or any other written agreement between Developer and Target, or any other cause beyond the reasonable control of Target.

- (GG) No pet shop shall be located thereon within three hundred (300) feet of the Building Area located on the Target Tract.
- (HH) No gas/service station and/or other facility that dispenses gasoline, diesel or other petroleum products as fuel shall be permitted other than the Outparcels.
- (II) No liquor store offering off-premises sale of alcoholic beverages within one hundred (100) feet of the Building Area on the Target Tract shall be permitted, nor shall any liquor store offering off-premises sale of alcoholic beverages exceeding ten thousand (10,000) square feet of Floor Area be permitted.
- (JJ) As to Home Depot only: No portion of the Shopping Center other than the Home Depot Tract shall be used for a home improvement center, and no portion of the Shopping Center other than the Home Depot Tract or the Target Tract shall be used for any business which sells, displays, leases, rents or distributes the following items or materials, singly or in any combination (the "Protected Products"): lumber, hardware, tools, plumbing supplies, pool supplies, electrical supplies, paint, wallpaper and other wall coverings, window treatments (including draperies, curtains and blinds), kitchen or bathrooms or components thereof (including tubs, sinks, faucets, mirrors, cabinets, showers, vanities, countertops and related hardware), windows, hard and soft flooring (including tile, wood flooring, rugs and carpeting), siding, ceiling fans, gardening and garden nursery supplies, artificial and natural plants, outdoor cooking equipment and accessories, patio furniture and patio accessories, Christmas trees, indoor and outdoor lighting systems and light fixtures, cabinets and unfinished and finished furniture, kitchen and household appliances, closet organizing systems, pictures or picture framing, interior design services, or other products generally sold in a retail home improvement center, except for the incidental sale of such items. An "incidental sale of such items" is one in which there is no more than the lesser of (i) ten percent (10%) of the total Floor Area of such business, or (ii) twenty-five hundred (2,500) square feet of sales and/or display area,

relating to such items individually or in the aggregate. Notwithstanding the foregoing, the following uses shall be permitted within the Shopping Center: a drug store, a supermarket, a sporting goods store, an office supply store, a consumer electronics store, a bed and bath store, and a cell phone store.

The terms of the immediately preceding paragraph shall cease to apply and shall no longer be in force if (x) [1] a home improvement store is not operating on the Home Depot Tract within a period of twenty-four (24) months after the date of this O.E.A., [2] after said twenty-four (24) month period Developer provides Home Depot with written notice that the Home Depot use restrictions are at risk of expiring if a home improvement store is not operating on the Home Depot Tract within thirty (30) days after Home Depot's receipt of said notice, and [3] a home improvement store is not operating on the Home Depot Tract within thirty (30) days after Home Depot's receipt of said notice, or (y) [i] a home improvement store is operating on the Home Depot Tract within a period of twenty-four (24) months after the date of this O.E.A. but after said initial operation of a home improvement store operating on the Home Depot Tract, there is no home improvement store operating on the Home Depot Tract for a continuous period of three hundred sixty-five (365) days or longer, [ii] after said three hundred sixty-five (365) day period Developer provides Home Depot with written notice that the Home Depot use restrictions are at risk of expiring if a home improvement store is not operating on the Home Depot Tract within thirty (30) days after Home Depot's receipt of said notice, and [iii] a home improvement store is not operating on the Home Depot Tract within thirty (30) days after Home Depot's receipt of said notice. Notwithstanding the foregoing Home Depot acknowledges and agrees that, in the event Home Depot fails to sell any of the Protected Products from the Home Depot Tract for a period of eighteen (18) months or longer, then use restriction with respect to that particular Protected Product shall be deemed null and void and of no further force and effect against other tenants or occupants of the Shopping Center.

AUTHORIZATION FOR ISSUANCE OF FREE PERMITS, LICENSE
FEE EXEMPTIONS, CANCELLATION OF WATER/SEWER
ASSESSMENTS AND WAIVER OF FEES FOR
CERTAIN CHARITABLE, EDUCATIONAL
AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report: