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

**WASHINGTON STREET AVIATION, LLC  
(GREATER SOUTHWEST INDUSTRIAL CORRIDOR (WEST)  
REDEVELOPMENT PROJECT AREA)  
REDEVELOPMENT AGREEMENT**

This Washington Street Aviation, LLC (Greater Southwest Industrial Corridor (West) Redevelopment Project Area) Redevelopment Agreement (this "Agreement") is made as of this 28<sup>th</sup> day of January, ~~2012~~ by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Washington Street Aviation, LLC, a Delaware limited liability company (the "Developer") and a wholly-owned subsidiary of ATA Holdings Corp., an Indiana corporation.

**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 April 12, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Greater Southwest Industrial Corridor (West) Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Greater Southwest Industrial Corridor (West) Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Greater Southwest Industrial Corridor (West) Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The City has issued the MARBs (hereinafter defined) and has used a portion of the proceeds thereof to purchase certain real property located at 4700 West 72<sup>nd</sup> Street in the vicinity of Midway Airport (the "Purchased Property") for a purchase price of \$13,785,000. The City expects to use proceeds of the MARBs in the amount of \$1,715,000 to pay a portion of the environmental remediation costs incurred or to be incurred with respect to the Purchased Property. The Purchased Property is located in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area. A portion of the Purchased Property is to be used and operated by the City as an off-site parking lot for Midway Airport, and the remainder of the Purchased Property, constituting approximately 86.8% (by area) of the Purchased Property, is being leased to the Developer pursuant to a Ground Lease between the City and the Developer dated as of the date hereof (the "Ground Lease"). The property being leased to the Developer under the Ground Lease is located within the Purchased Property and is legally described on Exhibit B hereto (the "Property"). Within the time frames set forth in Section 3.01 hereof, the Developer shall, with respect to the Property: commence and complete construction thereon of a 200,000 square foot airline training center, including a minimum of four flight simulator bays, cabin door trainers, computer-based training labs, classrooms and conference centers (the "Training Center"); cause a third-party developer to construct thereon a hotel with a minimum of 200 rooms (the "Hotel"); and cause a third-party developer or developers to construct thereon a restaurant and retail facility (the "Restaurant/Retail Facility") with a minimum aggregate size of 22,500 square feet. Collectively, the Training Center, the Hotel, and the Restaurant/Retail Facility are referred to herein as the "Facility."

Construction of the Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C), and compliance with ongoing job creation, job retention, and other covenants set forth herein, 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 Greater Southwest Industrial Corridor (West) Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees, subject to the terms and conditions hereof, (i) to use certain Incremental Taxes to pay a portion of the debt service on the MARBs and the redemption price of certain optional redemptions of the MARBs, (ii) to use proceeds of the City Note (defined below) to pay for or reimburse the Developer for the costs of TIF-Funded Improvements (hereinafter defined) pursuant to the terms and conditions of this Agreement and the City Note, and (iii) to make the Site Prep Payment (hereinafter defined) (including Site Prep Deficiency (hereinafter defined), if any) to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (hereinafter defined) pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(c) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements (excluding the Developer's interest costs) not previously paid for from Incremental Taxes (including the Site Prep Payment (including Site Prep Deficiency, if any) and any such payment made pursuant to any City Note provided to the Developer pursuant to this Agreement), to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements (excluding the Developer's interest costs).

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

## SECTION 1. RECITALS

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

## SECTION 2. DEFINITIONS

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

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

"Actual Debt Service on the MARBs" shall mean (i) for the period commencing June 1, 2005 through and including December 31, 2005, amounts actually expended to pay regularly scheduled payments of interest on the MARBs during such period, including amounts deposited

under the Indenture during such period to satisfy debt service reserve requirements with respect to the MARBs under the Indenture, and (ii) for all other periods during which MARBs are outstanding, amounts actually expended to pay regularly scheduled payments of principal of and interest on the MARBs during a given calendar year, including amounts deposited under the Indenture in such calendar year to satisfy debt service reserve requirements with respect to the MARBs under the Indenture.

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

"Available Incremental Taxes" shall mean an amount equal to 95% of the Incremental Taxes deposited in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund after the Closing Date attributable to the Property.

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

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

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

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

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

"City Funds" shall mean the funds transferred to the Trustee pursuant to Section 4.03 hereof, the funds paid to the Developer pursuant to the City Note, and the Site Prep Payment (including Site Prep Deficiency, if any).

"City Note" shall mean the Tax Increment Allocation Revenue Note (Greater Southwest Industrial Corridor (West) Redevelopment Project Area - Washington Street Aviation, LLC Redevelopment Project), Taxable Series 2002 to be in the form attached hereto as Exhibit K.

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

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

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

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

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

"Equity" shall mean funds of the 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).

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

"Facility" shall have the meaning set forth in the Recitals hereof.

"Financial Statements" shall mean complete audited financial statements of the Developer, ATA Holdings Corp., and American Trans Air, Inc., each prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall have the meaning set forth in Section 6.01 hereof.

"Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Greater

Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indenture" shall mean that certain Master Indenture of Trust Securing Chicago Midway Airport Second Lien Obligations dated as of September 1, 1998, from the City to American National Bank and Trust Company of Chicago, as Trustee, as supplemented by that certain Third Supplemental Indenture Securing Chicago Midway Airport Second Lien Revenue Bonds, Taxable Series 2002A, dated as of February 1, 2002, from the City to American National Bank and Trust Company of Chicago, as Trustee, pursuant to which the MARBs were issued.

"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.

"MARBs" shall mean the Chicago Midway Airport Second Lien Revenue Bonds, Taxable Series 2002A issued by the City on February 13, 2002 in the aggregate principal amount of \$22,000,000, a portion of the proceeds of which were used by the City to purchase the Property and which provide for interest-only payments during the term of such bonds with redemption of the entire principal amount at maturity.

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise.

"MBE/WBE Training Center Sub-Project Budget" shall mean the budget attached hereto as Exhibit G-2, as described in Section 10.03.

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

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

"Partial Completion Certificate" shall have the meaning set forth in Section 7.01 hereof.

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

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

"Prime Rate" for a given date shall mean the domestic (U.S.) prime rate set forth in the Wall Street Journal for such date or, if the Wall Street Journal is not published on such date, the domestic (U.S.) prime rate evidenced by such other source as the parties shall agree.

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

"Project" shall have the meaning set forth in the Recitals hereof.

"Projected Debt Service on the MARBs" shall mean (i) for the period commencing June 1, 2005 through and including December 31, 2005, the amount determined by the City under the Use Agreement in advance of such period to be necessary to pay regularly scheduled payments of interest on the MARBs during such period, including amounts determined to be necessary to satisfy debt service reserve requirements during such period with respect to the MARBs under the Indenture, and (ii) for all other periods during which MARBs are outstanding, the amount determined by the City under the Use Agreement to be necessary to pay regularly scheduled payments of principal of and interest on the MARBs during the next succeeding calendar year, including amounts determined to be necessary to satisfy debt service reserve requirements in the applicable year with respect to the MARBs under the Indenture.

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

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

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

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

"Required Principal Prepayment Amount" shall mean a monetary amount, transferred by the City to the Trustee on an annual basis at the times and in the years set forth in Section 4.03(b), sufficient to pay the redemption price of MARBs in an aggregate principal amount of (x) the principal amount of MARBs outstanding as of January 1, 2008, after giving effect to the redemption described in Section 4.03(b)(iv) hereof, divided by (y) 13.

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

"Site Prep Deficiency" shall have the meaning set forth in Section 4.03(e) hereof.

"Site Prep Payment" shall have the meaning set forth in Section 4.03(e) hereof.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof provided by the Developer 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 April 12, 2023).

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

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

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

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for through the Site Prep Payment (including Site Prep Deficiency, if any) or payments on the City Note, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean First American Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured as its interest may appear as lessee under the Ground Lease, 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.

"Training Center Sub-Project" shall mean that portion of the Project consisting of the development of the Training Center and the performance of covenants herein related thereto.

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

"Trustee" shall mean American National Bank and Trust Company of Chicago, as trustee for the MARBs, or any successor trustee selected in accordance with the Indenture.

"Use Agreement" shall mean the Chicago Midway Airport Amended and Restated Airport Use Agreement and Facilities Lease and any successor document thereto.

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



"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

### SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, commence and complete each component of the Project according to the time frames set forth in the Ground Lease.

3.02 Scope Drawings and Plans and Specifications. Prior to commencement of construction of any component of the Facility, Scope Drawings and Plans and Specifications for such component shall be delivered to and approved by DPD. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit (or, with respect to components of the Facility other than the Training Center, shall cause to be submitted) 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 Training Center Sub-Project Budget. The Developer has furnished to DPD, and DPD has approved, a Training Center Sub-Project Budget showing total costs for the Training Center Sub-Project in an amount not less than \$110,296,593. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Training Center Sub-Project costs; and (b) the Training Center Sub-Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Training Center Sub-Project Budget for which approval is required pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to any component of the Facility must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the applicable component of the Facility, measured against the square footage set forth in the Plans and Specifications for such component of the Facility approved by DPD under this Agreement or the Ground Lease; (b) a change in the use of the Property to a use other than as contemplated herein; or (c) a change in the commencement date or completion date for any component of the Facility. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the

furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this Section). The Construction Contract, each contract between the General Contractor and any subcontractor, and any sub-lease for the Property 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 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary. The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

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

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

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

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

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

#### SECTION 4. FINANCING

4.01 Total Training Center Sub-Project Cost and Sources of Funds. The cost of the Training Center Sub-Project is estimated to be \$110,296,593, to be applied in the manner set forth in the Training Center Sub-Project Budget. Such costs shall be funded from the following sources:

Proceeds of MARBs	\$15,500,000*
Equity (subject to <u>Section 4.06</u> )	\$ 8,972,943
Lender Financing	\$81,323,650
Estimated City Funds (subject to <u>Section 4.03</u> )	\$ 4,500,000*
<b>ESTIMATED TOTAL</b>	<b>\$110,296,593</b>

4.02 Developer Funds. Proceeds of MARBs have been used to finance the purchase price of the Property and certain environmental remediation costs. Equity and/or Lender Financing shall be used to pay all Training Center Sub-Project costs other than costs funded by proceeds of the MARBs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded Improvements

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\*\$22,000,000 is the total proceeds received from issuance of the MARBs. Developer is required to repay the portion (88.3% or \$19,426,000) used to acquire, clean-up and prep land leased to Developer. City Funds will be used (i) to assist in repayment of the Developer's portion of the MARBs, (ii) for issuance of the City Note with a principal amount of up to \$4,500,000 and (iii) payment of up to \$700,000 for the relocation of Commonwealth Edison towers. Pursuant to Section 4.03(f) total City Funds will not exceed \$24,096,000.

#### 4.03 City Funds

##### (a) Creation of Accounts and Sub Accounts

(i) The City hereby creates the Washington Street Aviation LLC Project Account (the "Project Account") within the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund. Available Incremental Taxes shall be deposited by the City when received into the Project Account.

(ii) The City hereby creates the City Note Sub-account within the Project Account.

(b) Transfers From the Project Account. Subject to the amount of Available Incremental Taxes on deposit in the Project Account being sufficient for such purposes, the City agrees to make the transfers described below:

(i) By December 15, 2004, the City shall transfer from the Project Account to the Trustee an amount equal to 88.3 percent of Projected Debt Service on the MARBs for the period from June 1, 2005 through and including December 31, 2005, to be used by the Trustee to pay regularly scheduled payments of interest on the outstanding principal amount of the MARBs during such period. Such transfer shall be accompanied by a letter of direction to the Trustee signed by the Commissioner of DPD, substantially in the form attached hereto as Exhibit M-1.

(ii) By December 15, 2005, the City shall transfer from the Project Account to the Trustee an amount equal to 88.3 percent of Projected Debt Service on the MARBS for the year 2006, and by December 15, 2006 the City shall make a similar transfer for the year 2007, to be used by the Trustee to pay regularly scheduled payments of interest on the outstanding principal amount of the MARBs during 2006 and 2007 respectively. Such transfers shall be accompanied by a letter of direction to the Trustee signed by the Commissioner of DPD, substantially in the form attached hereto as Exhibit M-1.

(iii) By December 15, 2007, and no later than December 15<sup>th</sup> in each subsequent year for as long as any MARBs are outstanding, the City shall transfer from the Project Account (exclusive of amounts in the City Note Sub-account, if any, as described in (iv) below) to the Trustee sufficient amounts then on deposit in the Project Account (to satisfy (A) and (B) below for the next succeeding year), to be used (A) first, to pay regularly scheduled payments of interest on 88.3 percent of Projected Debt Service on the MARBs during 2008 and each subsequent year for as long as any MARBs are outstanding and (B) second, to redeem 1/13 of the aggregate principal amount of 88.3 percent of the MARBs outstanding as of January 1, 2008 ("Required Principal Prepayment"), as long as any MARBs are outstanding. Such transfer(s) shall be accompanied by a letter of direction to the Trustee signed by the Commissioner of DPD, substantially in the form attached hereto as Exhibit M-2. If there is a surplus amount in the Project Account after such annual transfer, such surplus may be transferred to the City Note Sub-Account to be used by the

Developer to pay Redevelopment Project Costs. Such transfers shall be accompanied by a letter of direction to the Trustee signed by the Commissioner of DPD, substantially in the form attached hereto as Exhibit M-1. If the amount in the Project Account is less than (A) or (B) above, then the Developer shall pay, as part of Rent payable under the Lease, an amount to the Trustee that, together with the amount transferred by the City from the Project Account, shall be sufficient to pay 88.3 percent of Projected Debt Service on the MARBs for the forthcoming year and the Required Principal Prepayment. The obligation to make transfers under this paragraph (iii) shall terminate at such time as no MARBs remain outstanding.

(iv) In 2008, and in each subsequent year, any Available Incremental Taxes collected during 2008 (or the applicable subsequent year) that remain in the Project Account after the City has made the transfer to the Trustee required under paragraph (iii) above for such year shall be transferred by the City into the City Note Sub-account. Such transfer shall occur as early as practicable after the transfer required under paragraph (iii) above has been made for the applicable year. The obligation to make transfers under this paragraph (iv) to the City Note Sub-account shall terminate at such time as the City Note is no longer outstanding, and the City Note Sub-account shall be closed at that time. The City Note Sub-account shall be the mechanism for providing the Developer with excess Annual TIF Contributions to be used for other TIF-eligible cost as contemplated by the Lease.

(c) Calculations of Projected Debt Service on the MARBs and Actual Debt Service on the MARBs. The City shall calculate Projected Debt Service on the MARBs and the Actual Debt Service on the MARBs in accordance with the Use Agreement and the Indenture, and the Developer shall have no right under this Agreement to contest or dispute such calculations except in cases of manifest error.

(d) True-up Transfers. If Actual Debt Service on the MARBs exceeds the Projected Debt Service on the MARBs for any of the years 2005, 2006 or 2007, as determined by the City in accordance with the procedures set forth in the Use Agreement and the Indenture, then the City shall transfer from the Project Account to the Trustee the amount of the difference for the applicable year, subject to the amount of Available Incremental Taxes then on deposit in the Project Account being sufficient for such transfer. Such transfer shall occur within thirty days after the City determines the amount of the difference. The City shall direct the Trustee to deposit such transferred moneys in the Debt Service Reserve Account (as defined in the Supplemental Indenture). Such transfers, if any, shall be accompanied by a letter of direction to the Trustee signed by the Commissioner, substantially in the form attached hereto as Exhibit M-3.

(e) Site Prep Payment (including Site Prep Deficiency, if any). The City shall pay an amount (the "Site Prep Payment", which term shall include Site Prep Deficiency, if any) to pay or reimburse the Developer for the dismantling and removal of Commonwealth Edison's towers from the Property (and not the installation of new towers located off-site), in an amount equal to the lesser of (i) \$700,000, (ii) the actual amount paid by the Developer in connection solely with the dismantling and removal of Commonwealth Edison's towers from the Property (and not the installation of new towers located off-site), as evidenced by documentation satisfactory to DPD in its sole discretion, to the extent such costs constitute Redevelopment Project Costs, and (iii) the sum

(as certified by the Developer and evidenced by documentation acceptable to DPD) of (A) the incremental costs of installing replacement Commonwealth Edison towers an additional 500 feet (approximately) from the site where such towers would otherwise have been located, in order to guard against electromagnetic interference from such towers that may affect the functioning of the flight simulator bays installed as part of the Training Center, (B) the relocation of one set of Commonwealth Edison distribution poles located off-site to a point 500 feet (approximately) from their current location, and (C) the cost of installing new Commonwealth Edison designer distribution poles at an off-site location; provided that payment of the Site Prep Payment (including Site Prep Deficiency, if any) is subject to the amount on deposit in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund (exclusive of amounts constituting Available Incremental Taxes) being sufficient to make such payment. The City shall make the Site Prep Payment (including Site Prep Deficiency, if any), subject to the above provisions, upon the City's approval of the documentation referenced in clause (ii) above. To the extent that amounts on deposit in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund (exclusive of amounts constituting Available Incremental Taxes) as of the date of the City's approval of the documentation referenced in clause (ii) above are not sufficient to pay the Site Prep Payment (including Site Prep Deficiency, if any) in full (such deficiency, if any, being referred to herein as the "Site Prep Deficiency"), payment of the Site Prep Deficiency shall be a continuing obligation of the City payable on a pay-as-you-go basis solely from amounts on deposit in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund (exclusive of amounts constituting Available Incremental Taxes). Site Prep Deficiency shall not accrue interest and shall be payable annually on February 1 of each year from amounts then on deposit in the Greater Southwest Industrial Corridor (West) Redevelopment Project Area TIF Fund (exclusive of amounts constituting Available Incremental Taxes).

(f) City Note. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to the Developer upon issuance by the City of the Partial Completion Certificate. The term of the City Note shall be twenty years, provided that the term of the City Note shall not extend beyond the Term of the Agreement. The principal amount (subject to future adjustment as provided herein) of the City Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, that, subject to the limitation on the maximum principal amount of the City Note set forth herein, the principal amount (subject to future adjustment as provided herein) of the City Note shall be determined by the City at the time the City Note is issued, and shall be based on the amount of principal that, taking into consideration the interest rate on the City Note, can reasonably be expected to be repaid over the term of the City Note based on projections of Available Incremental Taxes acceptable to the City in its sole discretion, which projections are to be prepared at the Developer's expense and delivered to the City at the time the Partial Completion Certificate is issued; and provided, however, that the maximum principal amount of the City Note shall be an amount not to exceed the lesser of \$4,500,000 or 4.08% of the actual total Training Center Sub-Project costs; and provided, further, that the sum of the Site Prep Payment (including Site Prep Deficiency, if any), the principal amount of the City Note, and the transfers to the Trustee described in Section 4.03(b) hereof shall in no event exceed the lesser of \$24,096,000 or 21.85% of the actual total Training Center Sub-Project costs; and provided, further, that payments under the City Note are subject to the amount of Available Incremental Taxes

deposited into the City Note Subaccount being sufficient for such payments. The City Note shall bear interest at a rate equal to the Prime Rate in effect as of the date of issuance of the City Note plus one percentage point, and shall provide that accrued but unpaid interest shall bear interest at the same rate. Subject to the terms and conditions of this Agreement and the City Note, payments of principal and interest on the City Note shall commence on the February 1<sup>st</sup> next succeeding the date of issuance of the City Note. The Developer shall not, without the prior written consent of the City (not to be unreasonably withheld) assign, pledge, sell or otherwise convey the City Note for collateral or other purposes; and in no event may the Developer sell the City Note prior to issuance of the Certificate and the implementation of any adjustment to the principal of the City Note as described in the following paragraph.

Upon issuance of the Certificate, the Developer shall deliver projections of Available Incremental Taxes acceptable to the City in the City's sole discretion, which projections are to be prepared at the Developer's expense. Based on its review of such increment projections, the City shall have the right to reduce the principal amount of the City Note to an amount of principal that, taking into consideration the interest rate on the City Note, can reasonably be expected to be repaid over the term of the City Note based on such projections. In the event that the principal amount of the City Note is so reduced, such reduction shall occur as follows: (x) for interest that has accrued on the outstanding principal balance from time to time based upon a purported principal amount of the City Note in excess of the adjusted principal amount established under this paragraph, such interest shall be retroactively reduced as if such interest had accrued under a City Note with the adjusted principal amount established pursuant this paragraph, and (y) for payments of principal or interest on the City Note that were calculated based on the purported principal amount of the City Note being in excess of the adjusted principal amount established under this paragraph, such payments of principal or interest shall be retroactively reduced (and, for payments that were attributed to interest that should have been attributed to principal, the principal amount of the City Note shall be reduced) as if such payments had been made under a City Note with the adjusted principal amount established pursuant to this paragraph.

(g) TIF-Funded Improvements. The Site Prep Payment (including Site Prep Deficiency, if any) and payments on the City Note may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Training Center Sub-Project, and the maximum amount of costs that may be paid by or reimbursed from the Site Prep Payment (including Site Prep Deficiency, if any) or payments on the City Note for each line item therein (subject to Sections 4.03(f) and 4.05(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(h) TIF Bonds. The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds would be used to pay amounts due under Section 4.03(b) hereof, the outstanding principal and accrued interest under the City Note, and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne by the City. The Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05 hereof.

4.04 Disbursement of Funds for Training Center Sub-Project. The Developer hereby agrees to provide DPD with copies of the escrow agreement for the development of the Training Center, if any, within five (5) days of the execution thereof. In case of any conflict between the terms of this Agreement and such escrow agreement, the terms of this Agreement shall control. For all disbursements of funds for development of the Training Center, whether made directly by the Developer or through an escrow agreement, the City shall receive notice of each draw request and copies of all documentation (e.g., invoices, receipts, canceled checks, et cetera) submitted by the Developer evidencing the expenditures to be funded or reimbursed from funds disbursed pursuant to the draw request.

4.05 Treatment of Prior Expenditures and Allocation Among Line Items.

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

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Further Conditions on Issuance of City Note

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



(i) the total principal amount of the City Note represents a portion of the actual costs of the Training Center or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Training Center, and/or their payees;

(ii) all amounts shown as previous payments on the request for execution of the City Note have been paid to the parties entitled to such payment;

(iii) the Developer has approved all work and materials for the request for execution of the City Note, and such work and materials conform to the Plans and Specifications;

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

(v) 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; and

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

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any execution of the City Note 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 the City Note, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or any escrow agreement for the Training Center Sub-Project.

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.

## 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 Training Center Sub-Project Budget. The Developer has submitted to DPD, and DPD has approved, a Training Center Sub-Project Budget in accordance with the provisions of Section 3.03 hereof.

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

5.03 Other Governmental Approvals. The Developer has secured (or, for approvals which cannot be obtained until after conveyance of the Property by the City to the Developer, will secure prior to commencement of construction) all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted (or, for approvals which cannot be obtained until after conveyance of the Property by the City to the Developer, will submit) evidence thereof to DPD.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Training Center Sub-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 set forth in Section 4.01) to complete the Training Center Sub-Project. The Developer has delivered to DPD a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Title. The City shall be provided with a copy of the Title Policy dated as of the Closing Date, which shall contain only those title exceptions listed as Permitted Liens on Exhibit F hereto and which shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. Except as otherwise agreed by the City and the Developer, the Title Policy shall contain such endorsements as shall be required by the City, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.0 with parking), contiguity, location, access and survey.

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: American Trans Air, Inc. and ATA Holdings Corp.) as follows:

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

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

5.07 Surveys. The Developer has furnished the City with a copy of the Survey.

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

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

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

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for the most recent fiscal year.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, and copies of all leases, if any, in place for the Project as of the Closing Date.

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

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided Articles of Organization containing the original certification of the Secretary of State of its state of formation; certificates of good standing from the Secretary of State of its state of formation and all other states in which the Developer is qualified to do business (where such qualification to do business is required for operation of the Training Center); a secretary's certificate in such form and substance as the Corporation Counsel may require; a certified copy of its Operating Agreement; and such other organizational documentation as the City has requested. The Developer has provided to the City all required Economic Disclosure Statements, in the City's then current form, dated as of the Closing Date.

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

## 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 Training Center, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its review. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Training Center Sub-Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of the Site Prep Payment (including Site Prep Deficiency, if any) or payment on the City Note. (ii) For work on the Training Center other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Training Center costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor (and any subcontractor whose work includes work in the public way) be bonded for its

payment and performance by sureties having an AA rating or better using a form of bond acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof.

## **SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION**

### **7.01 Partial Completion Certificate; Certificate of Completion of Construction or Rehabilitation.**

(a) Upon (i) completion of the construction of the Training Center in accordance with the terms of this Agreement and full assessment of the completed Training Center by the Cook County Assessor, (ii) the Developer's written request, and (iii) execution by the Developer and Permitted Transferees (as defined in the Ground Lease) of binding contracts for the development of the Hotel (which development contract(s) must specify the minimum number of hotel rooms to be developed thereunder) and for the development of the Restaurant/Retail Facility (which development contract(s) must specify the minimum square footage of the facility to be developed thereunder), DPD shall issue to the Developer a certificate in recordable form (the "Partial Completion Certificate") certifying that the Developer has fulfilled its obligation to complete the construction of the Training Center in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Partial Completion Certificate within forty-five (45) days by issuing either a Partial Completion Certificate or a written statement detailing the ways in which the Training Center 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 Partial Completion Certificate. The Developer may resubmit a written request for a Partial Completion Certificate upon completion of such measures.

(b) Upon completion of the construction of the Facility in accordance with the terms of this Agreement and upon full assessment of the completed Facility by the Cook County Assessor, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the construction of the Facility in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Facility does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Partial Completion Certificate or Certificate; Continuing Obligations. The Partial Completion Certificate and the Certificate relate only to the construction of the Training Center and the Facility, respectively, and upon the issuance of such Partial Completion Certificate and Certificate, respectively, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, and 8.19(c) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the 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 payments of City Funds, including termination of transfers to the Trustee under 4.03(b) hereof; and

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

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

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

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

(a) the Developer is a Delaware limited liability company duly organized, validly existing, qualified to do business in Delaware and qualified to do business in Illinois as a foreign entity, 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 a good, indefeasible and merchantable leasehold interest in the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Training Center Sub-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 Training Center Sub-Project, and shall cause subtenants who develop other components of the Project to obtain and maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct such subtenant's business and to construct, complete and operate the applicable component of 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 applicable entities, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the applicable entities since the date of the most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) enter into any transaction outside the ordinary course of the Developer's business that would adversely affect its ability to perform hereunder; (3) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity that would adversely affect its ability to perform hereunder; or (4) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition and that would adversely affect its ability to perform hereunder;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (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 Training Center Sub-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) shall provide to DPD copies of all sub-leases and development budgets (including budgets addressing MBE/WBE requirements, as applicable) submitted to the City for approval pursuant to the Ground Lease.

8.02 Covenant to Redevelop. Upon DPD's approval of the Training Center Sub-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 (or, with respect to components of the Facility other than the Training Center, shall cause the redevelopment of) the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, the Scope Drawings, Plans and Specifications, Training Center Sub-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 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 Certain City Funds. Payments on the City Note and the Site Prep Payment (including Site Prep Deficiency, if any) disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.



8.05 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 TIF-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; provided, however, that the Developer shall not have any liability to the City with respect to any disclosures made in connection with the marketing of any such Bonds that are actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading.

8.06 Job Creation and Retention; Covenant to Remain in the City. Not less than 2,026 full-time equivalent, permanent jobs (exclusive of jobs at the Hotel and the Restaurant/Retail Facility) shall be created by the Developer within the City of Chicago by December 31, 2006, which jobs shall be retained by the Developer within the City of Chicago (after the creation of such jobs) through the earlier to occur of (A) the twentieth anniversary of the date of issuance of the City Note or (B) the end of the Term of the Agreement. In addition, not less than 2,500 full-time equivalent, permanent jobs existing as of the Closing Date shall be retained by the Developer within the City of Chicago through the twentieth anniversary of the date of issuance of the City Note, resulting in a total of 4,526 full-time equivalent, permanent jobs to be retained by the Developer hereunder within the City of Chicago. For purposes of this Section 8.06, a "full-time equivalent, permanent job" shall mean a job filled by a person who works a minimum of 35 hours per week, for no less than nine months of the year and who is employed by the Developer or by a wholly-owned affiliate of ATA Holdings, Corp., an Indiana corporation. For purposes of this Section 8.06, a "new" full-time equivalent, permanent job shall mean a full-time equivalent, permanent job created on or after December 31, 2001.

The Developer shall submit annual reports, no later than January 15<sup>th</sup> of each applicable year, to the City documenting whether the Developer has complied with this Section 8.06 during the preceding year. If the City determines that the Developer was not in compliance with this Section 8.06 during a given year (each, a "Default Year"), then (commencing as of the date that the City makes the determination that the preceding year was a Default Year), the City may suspend payments on the City Note. Interest shall not accrue on the City Note during any period during which payments on the City Note are so suspended. With respect to Available Incremental Taxes received by the City during a Default Year (and all Available Incremental Taxes received by the City thereafter until the Developer resumes full compliance with this Section 8.06) the City may, in its sole discretion: (x) elect not to deposit such amounts into the Project Account (and, if already deposited thereunder, the City may elect in its sole discretion to transfer such amounts out of the Project Account), provided, that the City shall not make such election if the Developer created and retained during the applicable Default Year at least 80% of the applicable number of jobs set forth in the preceding paragraph, and (y) elect not to deposit such amounts into the City Note Subaccount (and, if already deposited thereunder, the City may elect in its sole discretion to transfer such

amounts out of the City Note Subaccount). Such amounts (if the City makes the elections described in (x) or (y) above) shall no longer constitute City Funds hereunder or otherwise be paid to the Developer or transferred to the Trustee hereunder. If three Default Years arise hereunder, the City may terminate the City Note upon the end of the third Default Year.

The Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the Property through the earlier to occur of (i) the twentieth anniversary of the date of issuance of the Certificate or (ii) the end of the Term of the Agreement.

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

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

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

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the

Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for fiscal year ended 2000 and each year thereafter for the Term of the Agreement.

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, unless such Non-Governmental Charges are assessed or imposed due to an action by the City in its capacity as fee owner of the Property; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall promptly deliver 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, or appear to 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 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. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

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

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property that is necessary to support the repayment of the City Note ("Minimum Assessed Value") is shown on Exhibit J attached hereto and incorporated herein by reference for the years noted on Exhibit J; (B) Exhibit J sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit J.

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

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for

proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit J for the applicable year.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit J.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Public Benefits Program. The Developer shall, beginning on the Closing Date, undertake a public benefits program as described on Exhibit L. On a semi-annual basis, the Developer shall provide the City with a status report describing in sufficient detail the Developer's compliance with the public benefits program.

8.21 Job Training Program. The Developer shall, with the assistance of DPD and the Mayor's Office of Workforce Development, create a job training program acceptable to the City that will provide job training and employment for residents of the City of Chicago. In addition, if there are any subtenants under the Ground Lease, the Developer must send a letter to each such subtenant to familiarize them with the programs established by the City and available through the Mayor's Office of Workforce Development for the purpose of helping prepare individuals to work for businesses located within the Redevelopment Area.

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

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Training Center Sub-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 Training Center Sub-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 Training Center Sub-Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

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



name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

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

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

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

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

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

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

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

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

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

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

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

d. The Developer shall deliver quarterly reports to DPD during the Training Center Sub-Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Training Center Sub-Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Training Center Sub-Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment.

DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Training Center Sub-Project.

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

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

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

10.04 Employment Obligations for Components of the Project other than the Training Center Sub-Project. The Developer acknowledges that the Ground Lease imposes requirements relating to payment of prevailing wage, City resident construction worker employment requirements, and MBE/WBE requirements on sub-lessees engaged in the construction of components of the Project other than the Training Center Sub-Project (including the Hotel and the Restaurant/Retail Facility), and the Developer agrees to cause such components of the Project to comply with the requirements imposed under the Ground Lease.

## 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, the Bond Ordinance and the Redevelopment Plan.

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

## SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. coverages shall include the following: All premises and operations, products/completed operations, independent

contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Term of the Agreement

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

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

(d) Other Requirements

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

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

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

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

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

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

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

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or

subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

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

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

### SECTION 13. INDEMNIFICATION

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

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

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

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

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

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



## SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

## SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by the 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 the Ground Lease;

(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 Ground Lease or 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) prior to the fifth anniversary of the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City.

For purposes of Section 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, and may suspend (i) disbursement of payments under the City Note, (ii) disbursement of Site Prep Payment and Site Prep Deficiency payments and (iii) transfers of moneys to the Trustee pursuant to Section 4.03(b) hereof. 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, the specific performance of the agreements contained herein, or an action to recover amounts due to the City.

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; and provided, further, that there shall be no cure period under this Section 15.03 with respect to the Developer's failure to comply with the requirements of Section 8.06 hereof.

## SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith 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 pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

#### SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	Washington Street Aviation, LLC Attention: Dan Sutter 7337 West Washington Street Indianapolis, IN 46231
With Copies To:	Raines & Zemenides Attention: Endy Zemenides 1 S. Wacker, Suite 3890 Chicago, IL 60606

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

## SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto.

18.02 Entire Agreement; Relationship to Ground Lease. 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. The Developer acknowledges that its obligations under this Agreement are in addition to, and not in lieu of, its obligations under the Ground Lease, and that where a conflict or inconsistency exists between this Agreement and the Ground Lease, the more restrictive provision, as identified by the City in its sole discretion, shall apply.

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

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

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

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

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.22 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

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

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

18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto 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-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

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

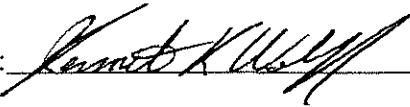
of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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



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.

**Washington Street Aviation, LLC,**  
a Delaware limited liability company

By: 

Its: PRESIDENT

**City of Chicago**

By: \_\_\_\_\_

\_\_\_\_\_,  
\_\_\_\_\_, Commissioner, Department  
of Planning and Development

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

**Washington Street Aviation, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**City of Chicago**

By: *Michael Berger*

\_\_\_\_\_  
Commissioner, Department  
of Planning and Development

*[Handwritten initials]*

Indiana  
STATE OF ILLINOIS )  
Manion ) ss  
COUNTY OF COOK )

I, Dixie L. Moorton, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that KENNETH K. WOLFF, personally known to me to be the PRESIDENT of Washington Street Aviation, LLC, a Delaware 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 acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the members of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28<sup>th</sup> day of January, 2003.

Dixie L. Moorton  
Notary Public

My Commission Expires 1/25/10

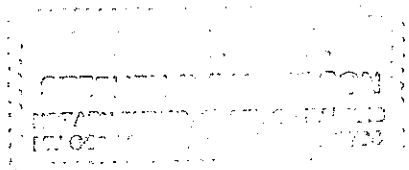
(SEAL)

DIXIE L. MOORTON  
Notary Public, State of Indiana  
County of Morgan  
My Commission Expires Jan. 25, 2010

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Stephen R. Patterson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Alicia M. Berg, personally known to me to be the ~~Commissioner~~ 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 28th day of January, 2003.



Stephen R. Patterson  
Notary Public

My Commission Expires 6/27/04

## Redevelopment Area

**The Greater Southwest  
Industrial Corridor (West)**

ALL THAT PART OF SECTIONS 22, 23, 26 AND 27 IN, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF S. TRIPP AVENUE WITH THE NORTH LINE OF W. 69<sup>TH</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. 69<sup>TH</sup> STREET TO THE CENTERLINE OF S. KEELER AVENUE, SAID CENTERLINE OF S. KEELER AVENUE BEING ALSO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22 BEING ALSO THE SOUTH LINE OF HANNIBAL HEIGHTS, A SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22 TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 25 IN BLOCK 1 IN A. T. McINTOSH'S 69<sup>TH</sup> STREET ADDITION, A SUBDIVISION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE OF LOT 25 BEING ALSO THE WEST LINE OF THE ALLEY WEST OF S. PULASKI ROAD;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 25 IN BLOCK 1 IN A. T. McINTOSH'S 69<sup>TH</sup> STREET ADDITION TO THE NORTH LINE OF W. 70<sup>TH</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. 70<sup>TH</sup> STREET TO THE EAST LINE OF S. PULASKI ROAD;

THENCE SOUTH ALONG SAID EAST LINE OF S. PULASKI ROAD TO THE SOUTH LINE OF W. 70<sup>TH</sup> STREET;

THENCE EAST ALONG SAID SOUTH LINE OF W. 70<sup>TH</sup> STREET TO THE WEST LINE OF LOT 15 IN BLOCK 14 IN W. D. MURDOCK'S MARQUETTE PARK ADDITION, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THE EAST 50 FEET THEREOF, SAID WEST LINE OF LOT 15 BEING ALSO THE EAST LINE OF THE ALLEY EAST OF S. PULASKI ROAD;

THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY EAST OF S. PULASKI ROAD AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTH LINE OF W. 71<sup>ST</sup> STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. 71<sup>ST</sup> STREET TO THE WEST LINE OF LOT 6 IN BLOCK 4 IN MARQUETTE PARK TERRACE, A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 6 IN BLOCK 4 IN MARQUETTE PARK TERRACE TO THE SOUTH LINE THEREOF, SAID SOUTH LINE OF LOT 6 BEING ALSO THE NORTH LINE OF THE ALLEY SOUTH OF W. 71<sup>ST</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY SOUTH OF W. 71<sup>ST</sup> STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 45 IN SAID BLOCK 4 IN MARQUETTE PARK TERRACE, SAID WEST LINE OF LOT 45 BEING ALSO THE EAST LINE OF THE ALLEY EAST OF S. PULASKI ROAD;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE EAST LINE OF THE ALLEY EAST OF S. PULASKI ROAD AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE SOUTHWESTERLY LINE OF BLOCK 5 IN SAID MARQUETTE PARK TERRACE, SAID SOUTHWESTERLY LINE OF BLOCK 5 BEING ALSO THE NORTHEASTERLY LINE OF THE ALLEY LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY;

THENCE SOUTHEAST ALONG SAID NORTHEASTERLY LINE OF THE ALLEY LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY TO THE WEST LINE OF S. AVERS AVENUE;

THENCE SOUTH ALONG SAID WEST LINE OF S. AVERS AVENUE TO THE NORTHEASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY;

THENCE SOUTHEAST ALONG SAID NORTHEASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY TO THE SOUTH LINE OF THE NORTH HALF OF

THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 25 IN BLOCK 4 IN MARKLEY'S MARQUETTE PARK GARDENS, A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26,, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE OF LOT 25 BEING ALSO THE WEST LINE OF THE ALLEY EAST OF S. MILLARD AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 25 IN BLOCK 4 IN MARKLEY'S MARQUETTE PARK GARDENS TO THE NORTH LINE OF W. 73<sup>RD</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. 73<sup>RD</sup> STREET TO THE WESTERLY LINE OF S. CENTRAL PARK AVENUE, AS SAID WEST LINE IS LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTHERLY ALONG SAID WESTERLY LINE OF S. CENTRAL PARK AVENUE TO THE SOUTH LINE OF LOT 20 IN BLOCK 4 IN SAID MARKLEY'S MARQUETTE PARK GARDENS;

THENCE EAST ALONG A STRAIGHT LINE, SAID LINE BEING PERPENDICULAR TO THE EAST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, TO THE EAST LINE OF S. CENTRAL PARK AVENUE, AS SAID EAST LINE OF S. CENTRAL PARK AVENUE IS LOCATED IN THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID EAST LINE OF S. CENTRAL PARK AVENUE TO THE SOUTH LINE OF THE ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE NATIONAL BISCUIT COMPANY'S CONSOLIDATION OF PARTS OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF THE NATIONAL BISCUIT COMPANY'S CONSOLIDATION TO THE EAST LINE OF THE CHICAGO AND GRAND TRUNK RAILROAD RIGHT OF WAY;

THENCE SOUTH ALONG SAID EAST LINE OF THE CHICAGO AND GRAND TRUNK RAILROAD RIGHT OF WAY TO THE NORTH LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID NORTH LINE BEING ALSO THE NORTH LINE OF W. 75<sup>TH</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. 75<sup>TH</sup> STREET TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 21 IN BLOCK 1 IN THOMAS M. READE'S WEST SEVENTY-NINTH STREET HIGHLANDS, A SUBDIVISION OF THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF (EXCEPT THE WEST 50 FEET AND EXCEPT THAT PART TAKEN FOR W. 79<sup>TH</sup> STREET), SAID WEST LINE OF LOT 21 BEING ALSO THE EAST LINE OF S. CENTRAL PARK AVENUE;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE EAST LINE OF S. CENTRAL PARK AVENUE TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THAT PART OF VACATED 78<sup>TH</sup> PLACE LYING NORTH OF AND ADJOINING BLOCK 50 IN PRICE'S SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE NORTH LINE OF THAT PART OF VACATED 78<sup>TH</sup> PLACE LYING NORTH OF AND ADJOINING SAID BLOCK 50 IN PRICE'S SUBDIVISION AND ALONG THE WESTERLY EXTENSION THEREOF TO THE WEST LINE OF S. LAWDALE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. LAWDALE AVENUE TO THE NORTH LINE OF W. 75<sup>TH</sup> PLACE;

THENCE EAST ALONG SAID NORTH LINE OF W. 75<sup>TH</sup> PLACE TO THE EAST LINE OF VACATED S. LAWDALE AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF VACATED S. LAWDALE AVENUE TO THE NORTH LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALONG THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE EAST LINE OF S. PULASKI ROAD AS WIDENED;

THENCE SOUTH ALONG SAID EAST LINE OF S. PULASKI ROAD AS WIDENED TO THE SOUTH LINE OF W. 76<sup>TH</sup> STREET;



THENCE SOUTHEAST ALONG SAID A STRAIGHT LINE TO THE SOUTHWEST CORNER OF LOT 13 IN BLOCK 16 IN PRICE'S SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 13 AND ALONG THE SOUTH LINE OF LOTS 12, 11, 10 AND 9 IN SAID BLOCK 16 IN PRICE'S SUBDIVISION TO THE EAST LINE OF THE WEST 9.5 FEET OF LOT 24 IN SAID BLOCK 16 IN PRICE'S SUBDIVISION;

THENCE SOUTH ALONG SAID EAST LINE OF THE WEST 9.5 FEET OF LOT 24 IN SAID BLOCK 16 IN PRICE'S SUBDIVISION TO THE NORTH LINE OF W. 76<sup>TH</sup> PLACE;

THENCE EAST ALONG SAID NORTH LINE OF W. 76<sup>TH</sup> PLACE TO THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 2 IN BLOCK 25 IN SAID PRICE'S SUBDIVISION;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE WEST LINE OF SAID LOT 2 AND ALONG THE WEST LINE OF LOT 31 IN SAID BLOCK 25 IN PRICE'S SUBDIVISION AND ALONG THE SOUTHERLY EXTENSION OF SAID WEST LINE OF LOT 31 TO THE SOUTH LINE OF W. PIPPIN STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. PIPPIN STREET TO THE EAST LINE OF LOT 4 IN BLOCK 26 IN SAID PRICE'S SUBDIVISION;

THENCE SOUTH ALONG SAID EAST LINE OF LOT 4 IN BLOCK 26 IN PRICE'S SUBDIVISION TO THE NORTH LINE OF THE SOUTH 25 FEET OF SAID LOT 4;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 25 FEET OF SAID LOT 4 AND ALONG THE NORTH LINE OF THE SOUTH 25 FEET OF LOTS 5 AND 6 IN SAID BLOCK 26 IN PRICE'S SUBDIVISION TO THE EAST LINE OF THE WEST 11.13 FEET OF SAID LOT 6;

THENCE SOUTH ALONG SAID EAST LINE OF THE WEST 11.13 FEET OF LOT 6 IN SAID BLOCK 26 IN PRICE'S SUBDIVISION TO THE SOUTH LINE OF SAID LOT 6;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 6 AND ALONG THE SOUTH LINE OF LOT 7 THROUGH 15, IN SAID BLOCK 26 IN PRICE'S SUBDIVISION AND ALONG THE WESTERLY EXTENSION THEREOF TO NORTHERLY EXTENSION OF THE EAST LINE OF OWNERS DIVISION OF LOT 23 IN SUPERIOR COURT PARTITION OF THE SOUTH HALF OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE BEING ALSO THE WEST LINE OF S. PULASKI ROAD;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION OF THE EAST LINE OF OWNERS DIVISION TO THE NORTH LINE OF SAID OWNERS DIVISION OF LOT 23 IN

SUPERIOR COURT PARTITION OF THE SOUTH HALF OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF OWNERS DIVISION OF LOT 23 IN SUPERIOR COURT PARTITION, AND ALONG THE NORTH LINE OF CREST LINE MANOR, A RESUBDIVISION OF LOT A AND PART OF LOT B IN SAID OWNERS DIVISION TO THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-039 IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID EAST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-039 TO THE NORTH LINE THEREOF;

THENCE WEST ALONG SAID NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-039 AND ALONG THE NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-051 AND ALONG THE NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-050 TO THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-038;

THENCE NORTH ALONG SAID EAST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-038 TO THE NORTH LINE THEREOF;

THENCE WEST ALONG SAID NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-038 TO THE WEST LINE THEREOF;

THENCE SOUTH ALONG SAID WEST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-038 TO THE NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-304-015;

THENCE WEST ALONG SAID NORTH LINE OF THE PARCEL OF LAND BEARING PIN 19-27-304-015 TO THE WEST LINE THEREOF;

THENCE SOUTH ALONG SAID WEST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-304-015 AND ALONG THE WEST LINE OF THE PARCEL OF LAND BEARING PIN 19-27-401-038 TO THE NORTH LINE OF SUN CREST MANOR, A SUBDIVISION IN THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID NORTH LINE OF SUN CREST MANOR AND ALONG THE NORTH LINE OF THE 79<sup>TH</sup> AND KOLMAR SUBDIVISION, A SUBDIVISION OF THE WEST 20 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 1 IN BLOCK 9 IN FRANK A. MULHOLLAND'S 79<sup>TH</sup> STREET, CICERO AND CRAWFORD DEVELOPMENT, A SUBDIVISION IN THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 27, SAID NORTH LINE OF LOT 1 BEING ALSO THE SOUTH LINE OF W. 77<sup>TH</sup> STREET;

THENCE WEST ALONG SAID SOUTH LINE OF W. 77<sup>TH</sup> STREET TO THE WEST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID WEST LINE BEING ALSO THE CENTERLINE OF S. CICERO AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 27 AND ALONG THE WEST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 27 AND ALONG THE WEST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN TO THE WESTERLY EXTENSION OF THE NORTH LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY, BEING HERE A LINE 854.72 FEET SOUTH OF THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND EASTERLY AND NORTHEASTERLY ALONG THE NORTH LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY TO THE SOUTH LINE OF 67<sup>TH</sup> STREET (MARQUETTE ROAD);

THENCE EAST ALONG SAID SOUTH LINE OF 67<sup>TH</sup> STREET (MARQUETTE ROAD) TO THE WEST LINE OF LOT 9 IN BLOCK 8 IN MARQUETTE TERRACE, A SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 9 IN BLOCK 8 IN MARQUETTE TERRACE TO THE SOUTH LINE THEREOF, SAID SOUTH LINE OF LOT 9 BEING ALSO THE NORTH LINE OF THE ALLEY SOUTH OF 67<sup>TH</sup> STREET (MARQUETTE ROAD);

THENCE EAST ALONG SAID NORTH LINE OF THE ALLEY SOUTH OF 67<sup>TH</sup> STREET (MARQUETTE ROAD) TO THE NORTHERLY EXTENSION OF THE WESTERLY LINE OF LOT 10 IN SAID BLOCK 8 IN MARQUETTE TERRACE, SAID WESTERLY LINE OF LOT 10 BEING

ALSO THE EASTERLY LINE OF THE ALLEY LYING EASTERLY OF AND ADJOINING THE EASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND ALONG THE EASTERLY LINE OF THE ALLEY LYING EASTERLY OF AND ADJOINING THE EASTERLY LINE OF THE BELT RAILWAY COMPANY OF CHICAGO RIGHT OF WAY TO THE NORTH LINE OF W. 69<sup>TH</sup> STREET;

THENCE EAST ALONG SAID NORTH LINE OF W. 69<sup>TH</sup> STREET TO THE POINT OF BEGINNING AT THE EAST LINE OF S. TRIPP AVENUE.

EXCEPTING FROM THE FOREGOING THE FOLLOWING PARCEL OF LAND.

ALL THAT PART OF THE NORTH HALF OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN HERETOFORE INCLUDED IN THE 72<sup>ND</sup> & CICERO AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA BOUNDED AND DESCRIBED AS FOLLOWS:

A TRACT OF LAND COMPRISED OF PARTS OF LOTS 1 AND 2 IN "FORD CITY SUBDIVISION" OF PARTS OF THE NORTH THREE QUARTERS OF SECTION 27 AND THE SOUTHWEST QUARTER OF SECTION 22, BOTH TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 29, 1986 AS DOCUMENT 86166800, IN COOK COUNTY, ILLINOIS, SAID PARTS OF LOT 1 AND 2 BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF LOT 2 IN "FORD CITY SUBDIVISION" WHICH IS 2506.00 FEET, MEASURED PERPENDICULARLY, EAST FROM THE WEST LINE OF SECTION 27, AND 1091.20 FEET, MEASURED PERPENDICULARLY, NORTH FROM A STRAIGHT LINE (HEREINAFTER REFERRED TO AS LINE "A") WHICH EXTENDS FROM A POINT ON SAID WEST LINE OF SECTION 27 WHICH IS 644.66 FEET SOUTH FROM THE NORTHWEST CORNER OF THE SOUTH HALF OF SAID SECTION, TO A POINT ON THE EAST LINE OF SAID SECTION 27 WHICH IS 619.17 FEET SOUTH FROM THE NORTHEAST CORNER OF SAID SOUTH HALF;

THENCE WEST ALONG A LINE 1091.20 FEET NORTH FROM AND PARALLEL WITH SAID LINE "A", A DISTANCE OF 324.00 FEET;

THENCE NORTH ALONG A LINE WHICH IS 2182.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 196.07 FEET TO A POINT ON THE SOUTH LINE OF LOT 1 AFORESAID;

THENCE WEST ALONG SAID SOUTH LINE (BEING A LINE 1287.27 FEET NORTH FROM AND PARALLEL WITH LINE "A") A DISTANCE OF 966.00 FEET;

THENCE NORTH ALONG A LINE WHICH IS 1216.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 60.73 FEET;

THENCE WEST ALONG A LINE WHICH IS 1348.00 FEET NORTH FROM AND PARALLEL WITH LINE "A", A DISTANCE OF 115.60 FEET;

THENCE SOUTH ALONG A LINE WHICH IS 1100.40 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 60.73 FEET TO A POINT ON THE AFOREMENTIONED SOUTH LINE OF LOT 1;

THENCE WEST ALONG SAID SOUTH LINE, A DISTANCE OF 417.95 FEET;

THENCE NORTH ALONG A LINE WHICH IS 682.45 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 30.73 FEET;

THENCE WEST ALONG A LINE WHICH IS 1318.00 FEET NORTH FROM AND PARALLEL WITH LINE "A", A DISTANCE OF 39.55 FEET;

THENCE SOUTH ALONG A LINE WHICH IS 642.90 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 30.73 FEET TO A POINT ON THE SOUTH LINE OF LOT 1 AFORESAID;

THENCE WEST ALONG SAID SOUTH LINE, A DISTANCE OF 152.35 FEET TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST FACE OF AN EXISTING BUILDING;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG SAID WEST FACE (BEING A LINE 490.55 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 17.31 FEET TO AN INTERSECTION WITH THE NORTH FACE OF AN EXISTING BUILDING;

THENCE WEST ALONG SAID NORTH FACE (BEING A LINE 1269.96 FEET NORTH FROM AND PARALLEL WITH LINE "A") A DISTANCE OF 70.36 FEET TO AN INTERSECTION WITH THE EAST FACE OF AN EXISTING BUILDING;

THENCE NORTH ALONG SAID EAST FACE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST FACE (BEING A LINE 420.19 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 17.31 FEET TO A POINT ON THE AFOREMENTIONED SOUTH LINE OF LOT 1;

THENCE WEST ALONG SAID SOUTH LINE, A DISTANCE OF 169.89 FEET TO AN INTERSECTION WITH THE SOUTHWARD EXTENSION OF THE EAST LINE OF LOT 4 IN "FORD CITY SUBDIVISION" AFORESAID:

THENCE NORTH ALONG SAID SOUTHWARD EXTENSION AND ALONG SAID EAST LINE (BEING A LINE 250.30 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 420.18 FEET TO THE NORTHEAST CORNER OF LOT 4;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 4 (BEING A LINE 1707.45 FEET NORTH FROM AND PARALLEL WITH LINE "A") A DISTANCE OF 190.30 FEET TO THE NORTHWEST CORNER OF LOT 4;

THENCE NORTH ALONG THE WEST LINE OF LOT 1 IN "FORD CITY SUBDIVISION", BEING ALSO THE EAST LINE OF SOUTH CICERO AVENUE (SAID EAST LINE OF CICERO AVENUE BEING A LINE 60.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 400.05 FEET;

THENCE EAST ALONG A LINE 2107.50 FEET NORTH FROM AND PARALLEL WITH LINE "A", A DISTANCE OF 385.50 FEET;

THENCE NORTH ALONG A LINE 445.50 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 574.00 FEET;

THENCE WEST ALONG A LINE 2681.50 FEET NORTH FROM AND PARALLEL WITH LINE "A", A DISTANCE OF 92.11 FEET;

THENCE WESTWARDLY AND SOUTHWESTWARDLY ALONG A CURVED LINE, TANGENT TO THE LAST DESCRIBED LINE, CONVEXED NORTHWESTERLY AND HAVING A RADIUS OF 267.67 FEET, A DISTANCE OF 134.32 FEET;

THENCE SOUTH 61 DEGREES 14 MINUTES 56 SECONDS WEST ALONG A STRAIGHT LINE, TANGENT TO THE LAST DESCRIBED CURVED LINE, A DISTANCE OF 80.47 FEET;

THENCE SOUTHWESTWARDLY ALONG A CURVED LINE, TANGENT TO THE LAST DESCRIBED LINE, CONVEXED SOUTHERLY AND HAVING A RADIUS OF 22.12 FEET, A DISTANCE OF 9.07 FEET;

THENCE SOUTHWESTWARDLY AND WESTWARDLY ALONG A CURVED LINE, TANGENT TO THE LAST DESCRIBED CURVED LINE, CONVEXED SOUTHERLY AND HAVING A RADIUS OF 499.16 FEET, A DISTANCE OF 29.75 FEET;

THENCE SOUTH 88 DEGREES 09 MINUTES 52 SECONDS WEST ALONG A STRAIGHT LINE. TANGENT TO THE LAST DESCRIBED CURVED LINE. A DISTANCE OF 55.82 FEET TO A POINT ON THE AFOREMENTIONED WEST LINE OF LOT 1 IN "FORD CITY SUBDIVISION":

THENCE NORTH ALONG SAID WEST LINE OF LOT 1. BEING ALSO THE EAST LINE OF SOUTH CICERO AVENUE, A DISTANCE OF 29.96 FEET TO A CORNER OF SAID LOT 1:

THENCE EAST ALONG A NORTH LINE OF LOT 1 (BEING A LINE 2633.50 FEET NORTH FROM AND PARALLEL WITH LINE "A") A DISTANCE OF 8.40 FEET;

THENCE EASTWARDLY AND NORTHEASTWARDLY ALONG A NORTHERLY LINE OF LOT 1, BEING A CURVED LINE TANGENT TO THE LAST DESCRIBED LINE, CONVEXED SOUTHERLY AND HAVING A RADIUS OF 76.875 FEET, A DISTANCE OF 46.96 FEET;

THENCE NORTH 55 DEGREES 00 MINUTES 00 SECONDS EAST ALONG A NORTHERLY LINE OF LOT 1 WHICH IS TANGENT TO THE LAST DESCRIBED CURVED LINE, A DISTANCE OF 73.14 FEET;

THENCE NORTHEASTWARDLY AND EASTWARDLY ALONG A NORTHERLY LINE OF LOT 1, BEING A CURVED LINE TANGENT TO THE LAST DESCRIBED LINE, CONVEXED NORTHERLY AND HAVING A RADIUS OF 83.75 FEET, A DISTANCE OF 51.16 FEET;

THENCE EAST ALONG A NORTH LINE OF LOT 1 (BEING A LINE 2704.50 FEET NORTH FROM AND PARALLEL WITH LINE "A" AND TANGENT TO THE LAST DESCRIBED LINE) A DISTANCE OF 22.56 FEET;

THENCE NORTH ALONG A WEST LINE OF LOT 1 (BEING A LINE 243.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 19.00 FEET;

THENCE EAST ALONG A NORTH LINE OF LOT 1 (BEING A LINE 2723.50 FEET NORTH FROM AND PARALLEL WITH LINE "A") AND ALONG AN EASTWARD EXTENSION OF SAID NORTH LINE, A DISTANCE OF 1537.03 FEET;

THENCE NORTH ALONG A LINE 1780.04 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 76.00 FEET;

THENCE WEST ALONG A LINE 2799.50 FEET NORTH FROM AND PARALLEL WITH LINE "A", A DISTANCE OF 50.00 FEET;

THENCE NORTH ALONG A LINE 1730.04 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27, A DISTANCE OF 454.56 FEET TO AN INTERSECTION WITH A NORTHERLY LINE OF LOT 1 IN "FORD CITY SUBDIVISION" AFORESAID;

THENCE SOUTH 68 DEGREES 55 MINUTES 56 SECONDS EAST ALONG SAID NORTHERLY LINE OF LOT 1, A DISTANCE OF 994.12 FEET TO AN INTERSECTION WITH THE NORTH AND SOUTH CENTERLINE OF SECTION 27;

THENCE SOUTH 73 DEGREES 56 MINUTES 49 SECONDS EAST ALONG SAID NORTHERLY LINE OF LOT 1, A DISTANCE OF 374.92 FEET TO AN INTERSECTION WITH A LINE WHICH IS 3018.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27;

THENCE SOUTH ALONG SAID PARALLEL LINE (BEING AN EAST LINE OF SAID LOT1) A DISTANCE OF 82.57 FEET;

THENCE NORTH 73 DEGREES 55 MINUTES 10 SECONDS WEST ALONG THE BOUNDARY OF SAID LOT 1, A DISTANCE OF 92.55 FEET;

THENCE NORTHWESTWARDLY ALONG A CURVED LINE, TANGENT TO THE LAST DESCRIBED LINE, CONVEXED SOUTHWESTWARDLY, AND HAVING A RADIUS OF 2887.94 FEET, A DISTANCE OF 250.90 FEET;

THENCE NORTH 68 DEGREES 56 MINUTES 30 SECONDS WEST ALONG THE BOUNDARY OF LOT 1, A DISTANCE OF 186.78 FEET TO AN EAST LINE OF SAID LOT 1;

THENCE SOUTH ALONG SAID EAST LINE AND THE SOUTHWARD EXTENSION THEREOF (SAID EAST LINE BEING 2517.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 928.08 FEET TO AN INTERSECTION WITH A SOUTH LINE OF LOT 1;

THENCE WEST ALONG SAID SOUTH LINE (BEING A LINE 1955.00 FEET NORTH FROM AND PARALLEL WITH LINE "A") A DISTANCE OF 11.00 FEET TO A CORNER OF SAID LOT 1;

THENCE SOUTH ALONG AN EAST LINE OF LOT 1 (BEING A LINE 2506.00 FEET EAST FROM AND PARALLEL WITH THE WEST LINE OF SECTION 27) A DISTANCE OF 863.80 FEET TO THE POINT OF BEGINNING;

ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.



EXHIBIT B

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PROPERTY

PARTS OF THE NORTHWEST 1/4 OF SECTION 27 AND OF THE SOUTHWEST 1/4 OF SECTION 22, BOTH IN TOWNSHIP 38 NORTH RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH PARTS ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 50 FEET OF SAID SECTION 27, BEING THE EAST LINE OF SOUTH CICERO AVENUE WITH A LINE 2,723.50 FEET NORTH OF AND PARALLEL TO A STRAIGHT LINE, HEREINAFTER REFERRED TO AS "LINE A" WHICH EXTENDS EAST FROM A POINT ON THE WEST LINE OF SAID SECTION 27 WHICH IS 644.66 FEET SOUTH FROM THE NORTHWEST CORNER OF THE SOUTH 1/2 OF SAID SECTION TO A POINT ON THE EAST LINE OF SAID SECTION 27, WHICH IS 619.17 FEET SOUTH FROM THE NORTHEAST CORNER OF SAID SOUTH 1/2; THENCE NORTH ALONG SAID EAST LINE OF THE WEST 50 FEET, BEING THE EAST LINE OF SOUTH CICERO AVENUE, A DISTANCE OF 595.58 FEET TO ITS INTERSECTION WITH THE NORTH LINE OF SAID SECTION 27, WHICH IS ALSO THE SOUTH LINE OF SAID SOUTHWEST 1/4 OF SECTION 22; THENCE NORTHWARDLY, A DISTANCE OF 572.04 FEET TO A POINT WHICH IS 75 FEET (MEASURED PERPENDICULARLY) EAST FROM THE WEST LINE AND 571.55 FEET (MEASURED PERPENDICULARLY) NORTH FROM SAID SOUTH LINE OF SAID SOUTHWEST 1/4 OF SECTION 22; THENCE SOUTHEASTWARDLY, A DISTANCE OF 1,141.29 FEET MORE OR LESS ALONG A STRAIGHT LINE WHICH IF EXTENDED SOUTHEASTWARDLY WOULD INTERSECT THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 27, AT A POINT 401.70 FEET SOUTH (MEASURED ALONG SAID CENTER LINE) OF THE NORTH LINE OF SAID SECTION 27, TO A POINT IN THE EAST LINE OF THE WEST 1,140 FEET (MEASURED PERPENDICULARLY) OF SAID SECTION 27 EXTENDED NORTH; THENCE SOUTH ALONG SAID EAST LINE OF THE WEST 1,140 FEET OF SECTION 27 EXTENDED NORTH AND ALONG THE EAST LINE OF THE WEST 1,140 FEET OF SAID SECTION 27, A DISTANCE OF 756.87 FEET MORE OR LESS TO A POINT ON SAID LINE 2,723.50 FEET NORTH OF AND PARALLEL TO LINE A; THENCE WEST ALONG SAID LINE 2,723.50 FEET NORTH OF AND PARALLEL TO LINE A, A DISTANCE OF 1,090 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXCEPTING THAT PORTION THEREOF MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A TRACT OF LAND IN THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 38 NORTH RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, BOUNDED AND DESCRIBED AS FOLLOWS:  
TO WIT:

COMMENCING AT THE SOUTHWEST CORNER OF THE SAID SOUTHWEST 1/4; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID SOUTHWEST 1/4 A DISTANCE OF 50 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING EASTERLY ALONG THE SOUTH LINE OF SAID SOUTHWEST 1/4 A DISTANCE OF 55 FEET; THENCE NORTHEASTERLY TO A POINT WHICH IS 140 FEET EAST OF THE WEST LINE OF THE

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SOUTHWEST 1/4 MEASURED AT RIGHT ANGLES THERETO AND ON A STRAIGHT LINE EXTENDING NORTHWESTERLY FROM A POINT ON THE NORTH AND SOUTH CENTERLINE OF SAID SOUTHWEST 1/4 WHICH IS 105.73 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST 1/4 AS MEASURED ALONG THE SAID NORTH AND SOUTH CENTER LINE TO A POINT WHICH IS 75 FEET EAST OF THE WEST LINE OF SAID SOUTHWEST 1/4 AS MEASURED AT RIGHT ANGLES THERETO 571.55 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST 1/4 AS MEASURED AT RIGHT ANGLES THERETO; THENCE NORTHWESTERLY TO A POINT WHICH IS 75 FEET EAST OF THE WEST LINE OF SAID SOUTHWEST 1/4 AS MEASURED AT RIGHT ANGLES THERETO AND 571.55 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHWEST 1/4 AS MEASURED AT RIGHT ANGLES THERETO; THENCE SOUTHWESTERLY TO THE POINT OF BEGINNING IN COOK COUNTY ILLINOIS.

## EXHIBIT C

TIF-FUNDED IMPROVEMENTS\*

<u>Line Item</u>	<u>Amount</u>
Environmental Testing	
Phase 1 Environmental	3,596
Pre-Demolition Investigation - Buildings	19,481
Phase II Environmental Testing - Soils	171,141
Environmental Design, Bidding and Monitoring	317,167
Environmental Remediation	
Buildings	188,406
Soil Disposal and Management	545,893
Remediation Insurance	333,333
Demolition	
Buildings	544,444
Pavements	604,000
Architectural/Engineering	121,837
Construction and Site Preparation	
Clear Site	43,883
Site Grading	263,300
Detention Pond Excavation	193,324
Disposal Off-site (assume 25% contaminated soil)	333,333
Allowance to Remove Abandoned Utilities	133,333
Develop New Dedicated Roadways	175,000
Storm Line Improvements	229,368
Intersection and Public Roadway Improvements	440,000
Legal	
Land Acquisition/Environmental/Zoning	500,000
General Requirements	
Testing & Inspections Site Surveys	19,560
Testing & Inspections - Geotechnical	37,275
Traffic and Intersection Studies	77,778
Total TIF-Funded Improvements**	5,295,452

\*TIF-Funded Improvements will not include any costs incurred prior to the establishment of the Redevelopment Area, and are exclusive of amounts to be transferred to the Trustee under Section 4.03 hereof to pay debt service on the MARBs or to redeem MARBs.

\*\* Although the total shown may exceed \$4,500,000, the actual amount of TIF Improvements to be paid from City Funds shall be subject to the limitations set forth in Section 4.03(f) hereof.

## EXHIBIT F

## PERMITTED LIENS

## 1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in Title Commitment No. CC4603 issued by the Title Company with an effective date of October 23, 2002 (except for items 8 and 10 through 17), 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: None
3. Liens permitted under the Ground Lease.

## EXHIBIT G-2

MBE/WBE Training Center Sub-Project Budget

Construction	33,275,295
Project Contingency	5,023,740
Soft Costs	3,243,942
Remediation	2,871,115
Architecture & Engineering	2,250,679
Demolition	1,033,600
Legal	585,896
Roadway Improvements	470,000
<b>Total</b>	<b><u>48,754,267</u></b>

**Required MBE/WBE Expenditures**

MBE Allocation (25%)	\$12,188,567
WBE Allocation (5%)	<u>\$2,437,713</u>
	\$14,626,280

The above MBE/WBE dollar value is an estimate. If the actual cost of the applicable MBE/WBE activities increase, the associated MBE/WBE dollar value will increase correspondingly.

EXHIBIT J

PRELIMINARY TIF PROJECTION – REAL ESTATE TAXES

ATA PROJECT (GREATER SOUTHWEST INDUSTRIAL WEST TIF)

YEAR	ASSESSED VALUE	ESTIMATED MULTIPLIER	EQUALIZED ASS. VALUE	BASE EAV	TAX RATE	TAXES PAID	INCREMENTAL TAXES
2003	\$1,696,864	2.2310	\$3,785,669	\$3,785,669	7.692%	\$0	\$0
2004	\$1,696,864	2.2310	\$3,785,669	\$3,785,669	7.692%	\$0	\$0
2005	\$12,774,443	2.2310	\$28,499,528	\$3,785,669	7.692%	\$2,192,184	\$0
2006	\$12,774,443	2.2310	\$28,499,528	\$3,785,669	7.692%	\$2,192,184	\$1,900,990
2007	\$12,774,443	2.2310	\$28,499,528	\$3,785,669	7.692%	\$2,192,184	\$1,900,990
2008	\$13,552,384	2.2310	\$30,235,097	\$3,785,669	7.692%	\$3,325,684	\$1,900,990
2009	\$13,552,384	2.2310	\$30,235,097	\$3,785,669	7.692%	\$3,325,684	\$2,034,490
2010	\$13,552,384	2.2310	\$30,235,097	\$3,785,669	7.692%	\$3,325,684	\$2,034,490
2011	\$14,377,939	2.2310	\$32,076,894	\$3,785,669	7.692%	\$2,467,355	\$2,034,490
2012	\$14,377,939	2.2310	\$32,076,894	\$3,785,669	7.692%	\$2,467,355	\$2,176,161
2013	\$14,377,939	2.2310	\$32,076,894	\$3,785,669	7.692%	\$2,467,355	\$2,176,161
2014	\$15,254,022	2.2310	\$34,031,418	\$3,785,669	7.692%	\$2,617,697	\$2,176,161
2015	\$15,254,022	2.2310	\$34,031,418	\$3,785,669	7.692%	\$2,617,697	\$2,326,503
2016	\$15,254,022	2.2310	\$34,031,418	\$3,785,669	7.692%	\$2,617,697	\$2,326,503
2017	\$16,185,826	2.2310	\$36,110,253	\$3,785,669	7.692%	\$2,777,601	\$2,326,503
2018	\$16,185,826	2.2310	\$36,110,253	\$3,785,669	7.692%	\$2,777,601	\$2,486,407
2019	\$16,185,826	2.2310	\$36,110,253	\$3,785,669	7.692%	\$2,777,601	\$2,486,407
2020	\$17,170,337	2.2310	\$38,306,678	\$3,785,669	7.692%	\$2,946,550	\$2,486,407
2021	\$17,170,337	2.2310	\$38,306,678	\$3,785,669	7.692%	\$2,946,550	\$2,655,356
2022	\$17,170,337	2.2310	\$38,306,678	\$3,785,669	7.692%	\$2,946,550	\$2,655,356

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**EXHIBIT K****FORM OF NOTE****REGISTERED AMOUNT**

NO. R-1 \$ \_\_\_\_\_ [not to exceed \$4,500,000]

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK****CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE NOTE  
(GREATER SOUTHWEST INDUSTRIAL CORRIDOR (WEST) REDEVELOPMENT  
PROJECT AREA - WASHINGTON STREET AVIATION, LLC  
REDEVELOPMENT PROJECT), TAXABLE SERIES 2002**

Registered Owner: Washington Street Aviation, LLC

Interest Rate: \_\_\_\_\_ [Prime Rate plus one percentage point]

Maturity Date: \_\_\_\_\_, \_\_\_\_\_ [twenty years from issuance date]

**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 shown above advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to 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 360-day year of twelve 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 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 shown above for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Washington Street Aviation, LLC (the "Project"), which were incurred in connection with the acquisition of a site upon which an airline training facility, hotel, and restaurant/retail facility was constructed in the Greater Southwest (West) Industrial Corridor 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 "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a



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

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

happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

Mayor

(SEAL)  
Attest:

\_\_\_\_\_  
City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Greater Southwest Industrial Corridor (West) Redevelopment Project Area - Washington Street Aviation, LLC Redevelopment Project), Taxable Series 2002, of the City of Chicago, Cook County, Illinois.

\_\_\_\_\_  
Comptroller  
Date:

**PRINCIPAL PAYMENT RECORD**

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

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(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:

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: \_\_\_\_\_

## EXHIBIT L

## PUBLIC BENEFITS PROGRAM

The Developer agrees to provide the benefits listed below:

1. Developer or ATA will contribute \$1,000 a year for five years to the Westlawn WildCats little league baseball team.
2. Developer or ATA will participate with the Learning for Life division of the Boy Scouts of America (the "Boy Scouts") by creating an Exploring Post at the training center. The Boy Scouts' Explorers program helps youths between 15 and 20 years old gain opportunities for hands-on experience and meet professionals in their career of choice. Developer or ATA will lead this program, coordinate activities with the Boy Scouts and provide access to the actual airline training equipment and environment.
3. Developer or ATA will donate 200 airline tickets per year for five years to the Starlight Foundation for terminally ill children. The total value of this donation is approximately \$232,000.
4. Developer or ATA will participate in the Mayor's Kidstart Program. Kidstart is a summer internship program which provides youth with a greater understanding of the connection between education and work.
5. Developer or ATA will coordinate with the Mayor's Office of Workforce Development (MOWD) pursuant to the terms of the attached "AMERICAN TRANS AIR INC LETTER AGREEMENT TO UTILIZE RESOURCES OF THE CITY OF CHICAGO MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT".

**AMERICAN TRANS AIR, INC.  
LETTER AGREEMENT TO UTILIZE RESOURCES OF THE  
CITY OF CHICAGO MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT**

American Trans Air, Inc. ("ATA") has committed to expanding its Chicago operations to include establishing Midway Airport as its hub airport and constructing an airline Training Center at 4700 W. 72<sup>nd</sup> Street. As part of its Chicago expansion, ATA has committed to creating 2,026 full-time/full-time equivalent jobs in the City of Chicago.

It is recognized that the Mayor's Office of Workforce Development has offered significant resources to assist ATA with the recruiting, hiring and retention of its Chicago workforce. It is further recognized that certain positions in ATA's Chicago workforce – especially pilots and airline crews, airline maintenance personnel, and the personnel for the Training Center – require specialized skills that ATA knows how to best identify. ATA anticipates recruiting and hiring a world-class workforce to complement its expanded operations in Chicago. Furthermore, it is the intent of ATA to employ fully qualified City of Chicago residents that meet the requirements of the positions available.

ATA agrees to support the City of Chicago in its efforts to maximize the number of local residents hired for all open positions for which they are qualified.

ATA will use MOWD as a primary, though not an exclusive source for identifying new employees and good faith efforts will be undertaken by ATA to fully engage MOWD in all of its workforce related activities. This commitment does not preclude ATA from utilizing other resources for workforce services, provided that MOWD remains a primary and priority provider/facilitator of workforce services.

ATA agrees to provide MOWD with all facets of relevant hiring information on a timely basis. This information includes, but is not limited to: New Hire Wages, qualifications, hiring schedules, job titles and corporate culture descriptions.

ATA agrees to share its interviewing schedules and coordinate job fair/employee recruitment activities through MOWD, to ensure City of Chicago residents are informed and have full access to all newly created positions.

ATA agrees to have regular progress meetings with MOWD, at least quarterly, to discuss project enhancements and modifications.