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REDEVELOPMENT AGREEMENT

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BY AND BETWEEN

THE CITY OF CHICAGO

AND

MENTOR BUILDING, L.L.C.

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

BOX 333-CTI

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

CENTRAL LOOP REDEVELOPMENT AGREEMENT
MENTOR BUILDING, L.L.C.

This Central Loop Redevelopment Agreement (this "Agreement") is made as of this 6th day of Dec, 1999, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Mentor Building, L.L.C., an Illinois limited liability company (the "Developer").

RECITALS

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

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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 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 June 20, 1984: (1) An Ordinance approving a certain redevelopment plan and project (the "North Loop Plan") for the North Loop Tax Increment Redevelopment Project Area (the "North Loop Area"); (2) An Ordinance designating the North Loop Area as a redevelopment project area; and (3) An Ordinance adopting tax increment allocation financing as a means for financing certain North Loop Area redevelopment project costs (the "Original TIF Adoption Ordinance") (collectively referred to herein as the "Original TIF Ordinances"). On February 7, 1997, the North Loop Area was expanded by adoption of the following ordinances: (4) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Central Loop Redevelopment Project Area"; (5) "An Ordinance of the City of Chicago, Illinois Designating the Central Loop Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (6) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Central Loop Redevelopment Project Area" (the "TIF Adoption Ordinance"), (all ordinances listed in clauses (1) - (6) above are 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 Developer has purchased (the "Acquisition") certain property located within the Redevelopment Area at 37-41 South State Street, Chicago, Illinois 60603 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete rehabilitation and renovation of the existing office building ("Building") located thereon (the "Facility") into retail, office and residential space, including approximately 40 to 50 (one, two and three bedroom) condominium units, to allow for retail use on the first and second floors, office and/or residential use on floors three through six, and residential use on floors seven through seventeen. A fitness center will be constructed in the basement for use by condominium

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owners. Restoration of the Building will include a facade renovation program consisting of the repair and stabilization of the cornice, the replacement and/or repair of missing column capitals, terra cotta and other activities to clean and repair the Building close to its original condition as set forth on Exhibit L. The Acquisition, rehabilitation and renovation of the Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Central Loop Redevelopment Project Area Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit D, as amended from time to time.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) a portion of the proceeds ("Bond Proceeds") of its Tax Increment Allocation Bonds (Central Loop Redevelopment Project Series 1997) (the "Bonds") issued pursuant to an ordinance adopted by the City Council on July 30, 1997 (specifically the taxable series thereof) (the "Bond Ordinance") or (ii) Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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.

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SECTION 2. DEFINITIONS

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

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

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

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

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

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto.

"Completion Date" shall mean the date that the City issues the Certificate hereunder.

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

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

"Developer Party" means each of Developer and the Retail L.L.C., if any, each an Illinois limited liability company.

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to

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

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

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement between the Developer and the Developer's lender(s), attached hereto as Exhibit F.

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

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

"General Contractor" shall mean Capitol Construction Group, Inc. or any other general contractor(s) hired by the Developer pursuant to Section 6.01.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited

to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the 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 1997 Central Loop Project Redevelopment Project Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project absent a default by Developer under such lender's loan, in the amount set forth in Section 4.01 hereof.

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

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

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

"Net Sales Proceeds" shall mean gross unit sales proceeds less closing costs with the respect to the condominium units sold in the Building by Developer (including, but not limited to, broker commissions, taxes, prorations to purchasers, legal fees, transfer taxes, loan fees, title, survey, escrow and recording charges, and Developer's administrative fees.

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

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

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

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

"Plans and Specifications" shall mean final construction documents containing working drawings and specifications for the Project.

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

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, including the costs of the Project, furnished by the Developer to DPD, in accordance with Section 3.03 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.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit K, to be delivered by the Developer to DPD pursuant to Section 4.04 of this Agreement.

"Retail Refinance" shall mean the net proceeds ("Net Proceeds") from the financing of the Developer's interest in the retail portion of the Building. ("Net Proceeds" shall mean loan proceeds less customary closing costs, including, but not limited to, broker commissions, taxes, legal fees, transfer taxes, lender fees and charges, prepaid interest, title, survey, escrow and recording charges.)

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

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

updates thereof to reflect improvements to the Property in connection with the construction of the 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 later of: (a) the date on which the Redevelopment Area is no longer in effect or (b) June 19, 2007; provided, that with respect to the obligation of the Developer set forth in Section 3.01 hereof, the Term of the Agreement shall be extended to the date when all such obligations have been met.

"The 1997 Central Loop Project Redevelopment Project Area Special Tax Allocation Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

"Title Company" shall mean Chicago Title Insurance Company.

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than September 1, 1999; and (ii) complete construction and conduct business operations therein the later of March 1, 2007, or the date the Redevelopment Area is no longer in effect.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed material changes to the Scope Drawings or Plans and Specifications and ANY changes related to the requirements set forth on Exhibit L 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 as amended from time to time and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Eleven Million Five Hundred Six Thousand One Hundred and Sixty One Dollars (\$11,506,161). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing, Equity and Net Sales Proceeds described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project ("Change Orders") 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

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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 Facility; (b) a change in the use of the Facility to a use other than an office and/or residential building with first and second floor retail tenant, office and/or residential tenants or owners on floors three through six and residential tenants on floors seven through seventeen (live/work in residential units will be permitted on floors seven through seventeen, which shall mean the residential tenant's conduct of a business not otherwise prohibited by this Agreement); (c) a delay in the completion of the Project; or (d) an increase in the budget for the Project in an amount over Two Hundred Fifty Thousand Dollars (\$250,000) each increase, or an aggregate of One Million Dollars (\$1,000,000). Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted by the Developer to DPD for DPD's prior written approval. 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 by this Section. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Incremental Taxes, the Bond Proceeds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Two Hundred Fifty Thousand Dollars (\$250,000) each, to an aggregate amount of One Million Dollars (\$1,000,000), do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders in Developer's quarterly reports and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised Completion Date, if necessary (with any delay in Completion Date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). 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 approved by lender(s) providing Lender Financing shall be acceptable to the City for purposes of this Section.

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$11,506,161, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity* (subject to <u>Sections [4.03(b)] and 4.06</u>)	\$2,700,000
Lender Financing**	4,485,577
Net Sales Proceeds	1,820,584
Estimated City Funds (subject to <u>Section 4.03</u>)	2,500,000
ESTIMATED TOTAL	\$ 11,506,161

*(Includes Retail Refinance) **(Includes Construction Loan)

The Developer anticipates that the Retail Refinance amount will be approximately \$2,200,000; if such amount is less, then the difference may be made up with Lender Financing.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may be used to pay directly or reimburse the Developer only for costs of TIF-Funded

Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.05(b)), contingent upon receipt by the City of the documentation set forth in the Agreement satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 hereof, the City hereby agrees to reserve City Funds from Bond Proceeds or Incremental Taxes in an amount not to exceed the lesser of \$2,500,000 or 21.7% of the cost of the Project (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements in the following manner:

Disbursement

Amount
\$625,000

Milestones

Following Delivery of the retail space (the "Retail Space") pursuant to the Retail Lease dated April 19, 1999 between Mentor Building, L.L.C., as Landlord, and The Children's Place Retail Stores, Inc., d/b/a/ The Children's Place, as Tenant (the "Lease"). Delivery shall mean the later (i) of the "Delivery Date" under the Lease, as certified by the Landlord's architect in accordance with Section 4.1 of the Lease, or (ii) the date of Tenant's acceptance of the Retail Space, as certified in a writing by Tenant ("Tenant's Written Acceptance") in form and substance satisfactory to the City or evidence satisfactory to the City that the Tenant has occupied the Retail Space and Tenant has commenced work on Tenant's improvements.

\$625,000

Following (a) completion of the exterior tuckpointing, cleaning and repairs of the Building and (b) the Substantial Completion, as such term is defined below, of the Required Rehabilitation Work included in

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Exhibit L. The term Substantial Completion means completion of most of the Required Rehabilitation Work included in Exhibit L, but only with respect to the new first and second floor facades of the west facade (State Street Side) and the south facade (Monroe Street Side); provided, however, Developer must show by appropriate evidence that any elements of the Required Rehabilitation Work included in Exhibit L not yet completed have been ordered or are in fabrication.

\$625,000

Following construction of 50% of the total square footage of floors three through seventeen in the Facility, provided such units have been certified as ready for habitation as evidenced by an architect's certificate.

\$625,000

Following issuance of a Certificate of Completion, which shall occur after completion of the Required Rehabilitation Work included in Exhibit L and the construction of all the remaining residential square footage on floors three through 17, provided all such residential units are ready for habitation as evidenced by an architect's certificate.

(c) Retainage. No retainage shall be withheld from the first three disbursements of City Funds described in Section 4.03 (b). The final disbursement of City Funds will be withheld until issuance of the Certificate of Completion under Section 7.02.

4.04 Requisition Form. At any time a disbursement is requested by Developer, commencing with the first disbursement request and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

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4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as ("Approved Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any other expenditure as a Prior Expenditure. 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 3.03 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 \$100,000, or \$250,000 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, the Developer shall be solely responsible for such excess costs, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. Not less than five (5) days prior to the Closing Date, the Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD. Notwithstanding the preceding sentence, the condition set forth in this provision shall be deemed satisfied if Developer has obtained permits for demolition and facade rehabilitation work; provided however, all other necessary permits shall be obtained prior to the commencement of any work covered by such additional permits.

5.04 Financing. The Developer shall have furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 3.03 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer shall have 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 3.03, Lender Financing and Net Sales Proceeds described in Section 4.01) to complete the Project. Prior to the Closing Date, the Developer shall deliver to DPD a copy of the construction escrow agreement entered into by the Developer regarding the Lender Financing. Any liens or retail/commercial leases against the Property in existence at the Closing Date shall be subordinated to encumbrances of the City, set forth in Section 7.02 as those that run with the land, pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer shall furnish the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive

endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the Developer's name (and the following trade names of the Developer: NONE) 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. Not less than five (5) business days prior to the Closing Date, the Developer shall have furnished the City with three (3) copies of the Survey.

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer shall furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as may be required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel

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is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions shall be obtained by the Developer from its general corporate counsel.

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

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

5.12 Documentation. The Developer shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, evidencing compliance as of the Closing Date with Section 8.09 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (The Developer's MBE/WBE Commitment) and stating the Developer's program for compliance with such Sections for the remainder of the Project.

5.13 Environmental. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided DPD with copies of a phase I environmental audit completed with respect to the Property. Based on the City's review thereof, the City may, in its sole discretion, require the completion of a phase II environmental audit with respect to the Property prior to the Closing Date. The City reserves the right to terminate negotiations with respect to this Agreement if, in the City's view, such audits reveal the existence of material environmental problems. Prior to the Closing Date, the Developer shall provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Organizational Documents. The Developer shall provide a copy of its Articles or Certificate of Organization containing the original certification of the Secretary of State of Illinois; the Operating Agreement; certificates of good standing from the Secretary of State of Illinois and all other states in which the Developer is qualified to do business; a secretary's certificate regarding authorization, incumbency and other matters in such

form and substance as the Corporation Counsel may require; and such other documentation as the City may request.

5.15 Litigation. The Developer shall provide to Corporation Counsel and DPD, at least ten (10) business days prior to the Closing Date, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Lease. The Developer shall provide to Corporation Counsel and DPD, at least ten (10) business days prior to the Closing Date, a certified copy of the Lease with respect to the Retail Space and any amendments thereto.

5.17 Conveyance of Retail Space. If due to a requirement of Lender Financing, Developer is required to convey the Retail Space, the following shall be required: Developer shall have recorded a Plat of Subdivision. The Plat of Subdivision shall create (a) one or more lots (the "Retail Lots") comprising the Retail Space, consisting of a fee simple interest in the real property and improvements comprising the Retail Space of the Facility and (b) one or more lots comprising the balance of the Property, consisting of a fee simple interest in real property and improvements comprising the balance of the Facility, all such lots including, without limitation, the portion of the Facility benefited by TIF-Funded Improvements, together with all easements, rights, claims, interests and appurtenances thereto. Further, such Lender Financing shall be subordinated to the encumbrances of the City, set forth in Section 7.02 as those that run with the land, pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

The Developer may convey the Retail Lots to one limited liability company, which has the following criteria: (i) the same members as Developer; (ii) no other manager, if any; (iii) the Retail Lots as its sole asset; (iv) no other business purpose other than the ownership and operation of the Retail Lots (such entity, the "Retail L.L.C."); and (v) which agrees to be jointly and severally bound by the terms and conditions of this Agreement.

The Developer acknowledges and agrees that the above-described structure has been consented to by the City as an accommodation to enable the Developer to obtain private re-financing for the Retail Space. As a condition to such conveyance of the Retail Lots to the Retail L.L.C., the Developer shall provide to the City (a) an agreement, in a form acceptable to the Corporation Counsel, that the Retail L.L.C. accepts Developer's interest in the Retail Space, assumes the obligations and liabilities of Developer under this Agreement, and is jointly and severally obligated to perform the obligations of the Developer hereunder and has joined as signatories hereto to reflect such obligation. As a condition to the conveyance of the Retail Lots, the Developer shall provide the City a legal opinion in a form acceptable to the Corporation Counsel opining as to the Developer's compliance with the Plat Act.

5.18 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder pursuant to a Requisition Form, the Developer shall submit documentation of such expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any request of disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

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

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

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

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 disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to the requirements set forth in the TIF Ordinances and/or this Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 General Contractor and Subcontractors. DPD has approved McClier as the preservation architect, Moshe Calamaro & Associates as structural engineer and Mark I as masonry (sub)contractor for the Project. (a) The Developer shall ensure that (i) any other preservation architect, structural engineer, and masonry (sub)contractor for exterior work has been approved by DPD and (ii) 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

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have been approved by DPD and the Commission on Chicago Landmarks and all requisite permits have been obtained.

(b) Because the Developer has selected the General Contractor for construction of the Project prior to execution of this Agreement, the fee of the General Contractor proposed to be paid out of City Funds shall be limited to 10% of the total amount of the Construction Contract.

6.02 Construction Contract. Prior to the execution hereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by 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 commencement of construction of any portion of the Project which includes work in the public way, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. The 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 Construction Employment Requirement), Section 10.03 (MBE/WBE Requirements; General Contractor only), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Project in accordance with the terms of this Agreement, 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 Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project or any portion thereof does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the rehabilitation and renovation of the Project and the public benefits program which Developer may elect to pursue under Section 8.20, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.01(j), 8.02, 8.06, 8.20 and Exhibit L 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. 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.

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

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

(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; and

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

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization and the 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 pursuant to the terms of this Agreement, (including subsection (j) below), the Developer has acquired and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

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

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

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities,

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results of operations and financial condition of the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business (which includes the transfer of any portion of the Property); provided, however, the Developer may convey the Retail Space comprising the Retail Lots as provided for in Section 5.17 and sell residential condominium units in the portion of the Building being used for residential purposes, lease or sell office space in the office portion of the Building and lease the Retail Space, provided that any leases of such Retail Space to a lessee other than The Children's Place shall be subject to the City's prior written approval, which approval shall not be unreasonably withheld; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition or have a material adverse effect on its ability to complete the Project. The covenants set forth in this Section 8.01 (j) shall run with the land and be binding upon any transferee (except purchasers and owners of condominium units in the Building) it being understood and agreed that Developer or Developer Party rather than such other unit purchasers or owners shall be bound by the provisions set forth in subsections (1) through (5) of this Section 8.01 (j).

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

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

(m) to the best of Developer's knowledge after diligent inquiry, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the membership interests of the Developer;

(n) the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any government agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business;

(o) the execution, delivery and performance of this Agreement by the Developer has not and will not require the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Other Bond Ordinance to the extent it does not conflict with the provisions of this Agreement, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

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

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the 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 additional bonds in connection with the Project or the Redevelopment Area, the proceeds of which are to be used, in whole or in part, to reimburse the City for expenditures made in connection with the TIF-Funded Improvements (the "Other 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 Other Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The Developer shall not have any liability to the City with respect to any disclosures made in connection with any such issuance of Other 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 Covenant to Remain in the City; End User Requirements. The Developer hereby covenants and agrees throughout the Term of this Agreement as follows: (a) to neither make nor permit a change in the use of the Facility to a use other than an office and/or residential building with first and second floor retail tenant, office and/or residential tenants or owners on floors three through six, residential tenants on floors seven through seventeen (live/work in residential units will be permitted on floors seven through seventeen, which shall mean the residential tenant's conduct of a business not otherwise prohibited by this Agreement); and (b) the ground level tenant, other than The Children's Place, shall be subject to the prior written approval of the Commissioner of the Department of Planning and Development, which approval shall not be unreasonably withheld.

The City's notice of approval or disapproval shall be provided within 10 business days of Developer's written request. Such request will be deemed approved if the City has not responded to such request within such 10 business days. Developer shall forward such written request by registered or certified mail, return receipt requested to the party designated to receive notices under this Agreement. The Facility and the Property will not be used for any of the purposes set forth on Exhibit M hereto or in any manner prohibited by Exhibit L hereto without the prior written consent of DPD. The covenants set forth in this Section shall run with the land and be binding upon any transferee through the end of the Term of this Agreement.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports, quarterly, detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. 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 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.

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8.10 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded 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 the Developer's Financial Statements each year throughout the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all

or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to 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 shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the 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 on the date hereof in the conveyance and real property records of the county in which the Project is located. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Public Benefits Program. Developer has elected to grant a historic preservation easement of the exterior of the Building to a qualified historic preservation organization to be approved by the DPD, which historic preservation easement shall meet the Internal Revenue Service guidelines for a qualified easement donation. The preservation easement shall permit such historic preservation organization to maintain the historic features of the Building.

8.20 Valuation. The Developer waives any right to claim the benefit of any special tax treatment with respect to the Facility that is available or that may become available for historic properties and covenants and agrees for Developer and Developer's successors and assigns that such waiver shall be incorporated into any and all documents whereby Developer conveys or intends to convey all or any portion of the Facility, it being understood and agreed that it is the intention of this Agreement that such waiver shall run with the land during the Term of this Agreement and shall be binding upon any party who succeeds to Developer's interest in the Facility.

8.21 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8.21 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

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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 Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry,

age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any

subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

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

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

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

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

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

10.03 The Developer's MBE/WBE Commitment. 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 Project:

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

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

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

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

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Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. The Developer shall deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD shall have access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the 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 Closing Date or commencement of the Project, whichever occurs first, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the

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Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, 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

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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 this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers Compensation and Employers Liability 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.

(iii) All Risk Property Insurance

All Risk Insurance in the amount of the full replacement value of the Property.

(b) Construction

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(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 shall have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) 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.

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(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 shall have 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.

(ix) All Risk Property Insurance

All Risk Insurance in the amount of the full replacement value of the Property.

(c) Other Requirements

Upon the Completion Date, the Developer shall provide All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property, including, also, the full replacement value of the exterior (terra cotta, cornice) for the Building. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

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 Developer shall submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to Agreement award. The receipt of any certificate does not constitute agreement by the City that the insurance requirements

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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 contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the Contractor, or subcontractors. All Contractors and subcontractors shall be

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subject to the same requirements of Developer unless otherwise specified herein.

If the Developer, Contractor or subcontractor desires additional coverages, the Developer, Contractor and each 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 provided such modifications, deletions, alterations or changes are reasonable from a business standpoint and consistent with the then applicable prevailing insurance industry standards.

SECTION 13. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) 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 the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer or (iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

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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 shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any

fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

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

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

(i) the death of any natural person who owns a material interest in the Developer without replacement by an entity or person acceptable to the City or the dissolution of the Developer; or

(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).

(k) the failure of the Retail L.L.C., if any, to meet the criteria of a Retail L.L.C. as set forth in this Agreement.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of thirty-three percent (33%) 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 disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer shall have failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event 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 shall have failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, 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.

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SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that 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 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 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 mortgage or deed of trust (other than 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 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

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the Developer's interest under this Agreement, such party shall have 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 Facsimile: 312-744-2271
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With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 Facsimile: 312-744-8538
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If to the Developer:	Mentor Building, L.L.C. c/o Joseph Freed and Associates, Inc. 1400 S. Wolf Road Building 100
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Wheeling, Illinois 60091
Attention: David Dewey and
Thomas Fraerman
Facsimile: 847-215-5282

With Copies To: Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601
Attention: Jeffrey S. Arnold
Facsimile: 312-630-5329

If to RETAIL L.L.C.: [Name of Retail L.L.C.]
c/o Joseph Freed and Associates, Inc.
1400 S. Wolf Road
Building 100
Wheeling, Illinois 60091
Attention: David Dewey and
Thomas Fraerman
Facsimile: 847-215-5282

With Copies To: Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601
Attention: Jeffrey S. Arnold
Facsimile: 312 630-5329

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.

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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. 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. It is agreed that no material amendment or change shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council of the City. The term "material" for the purpose of this Section 18.02 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer by more than five percent (5%) or materially changes the Facility or character of the Project or any activities undertaken by Developer affecting the Facility, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

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. 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 of such parties' rights

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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.

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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. During the Term of this Agreement, 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, which consent shall be within the City's sole discretion. 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 Section 8.21 (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).

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

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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 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 with respect to any matter involving any person with whom the elected official 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 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.

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

18.22 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 actual out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, reasonable attorneys' fees 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.

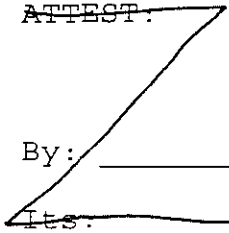
18.23 Joint and Several Liability. The obligations of Developer and any Retail L.L.C. under this Agreement are joint and several. All representations, warranties, covenants, indemnifications and other obligations of the Developer under this Agreement shall be deemed to have been individually given and made by each Developer Party. A default by any Developer Party hereunder shall constitute a default by the Developer and the Retail L.L.C. and shall entitle the City to exercise the remedies provided for herein against the Developer Parties, jointly and severally.

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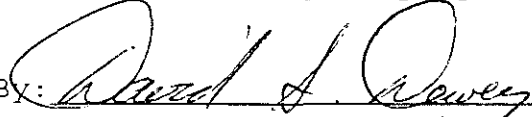
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

ATTEST:


By: _____
Its: _____

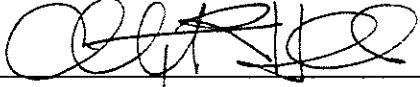
MENTOR BUILDING, L.L.C., an Illinois limited liability company

By: 
Its: Managing Member

(SEAL)

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CITY OF CHICAGO

By:  _____
_____ Department ^{PH}
of Planning and Development

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I, the undersigned, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Vivid S. Gueyand and Morgan Huber of ~~the~~ Mentor Building, L.L.C., an Illinois limited liability company (the "Developer"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the members of the Developer, as their 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 6th day of December, 1999.


.....
Notary Public "OFFICIAL SEAL"
CHRISTYNA CAMERON
Notary Public, State of Illinois
My Commission Expires 11/24/02
My Commission Expires

(SEAL)

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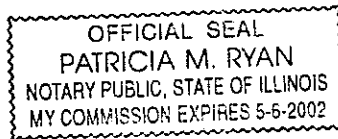
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

December GIVEN under my hand and official seal this 6th day of 1999.

Patricia M. Ryan
Notary Public

My Commission Expires 5/6/2002



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LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	Escrow Agreement (Not Applicable)
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Requisition Form
Exhibit L	Description of Rehabilitation Work

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

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EXHIBIT A

Legal Description Of North Loop Area.

Redevelopment Project Area Legal Description.

A tract of land consisting of lots and blocks or parts thereof and streets and alleys of Blocks 16, 17, 35, 36, 37 and 58 in the Original Town of Chicago in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 and part of Blocks 8 and 9 in the Fort Dearborn Addition to Chicago in the southwest fractional quarter of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in the City of Chicago, County of Cook, State of Illinois and bounded as follows:

beginning at the intersection of the south line of West Lake Street and the west line of North LaSalle Street; thence north along the west line of North LaSalle Street to the north line extended west of West Haddock Place; thence east along said line to the west line of North Clark Street; thence north along said west line to the northerly line of West Wacker Drive as said northerly line was established by ordinance passed by the City Council of the City of Chicago on December 15, 1919, thence east along said northerly line of West Wacker Drive to the east line of North State Street; thence south along said east line to the north line of West Haddock Place; thence east along said line to the east line of Lot 28 extended north of Block 8 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 28 as aforesaid to the north line of East Lake Street; thence east along said north line to the east line of Lot 10 extended north of Block 9 in Fort Dearborn Addition to Chicago as aforesaid; thence south along the east line of Lot 10 as aforesaid to the north line of East Benton Place; thence east along said north line to the east line of North Wabash Avenue; thence south along said line to the south line of East Randolph Street; thence west along said south line to the east line of North State Street; thence south along said east line to the south line extended east of Lot 1 of Assessor's Resubdivision of Lots 1 to 5 in Block 58 in Assessor's Division of the Original Town of Chicago as aforesaid; thence west along said extended line to the west line of said Lot 1; thence north along said line to the south line of West Washington Street; thence west along south line to the west line of North Dearborn Street; thence north along said west line to the south line of West Randolph Street;

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thence west along said south line to the west line of North Clark Street;
thence north along said west line to the south line of West Lake Street;
thence west along said south line to the place of beginning.

Legal Description Of Added Area.

The boundaries of the Added Project Area are legally described as follows:

Subarea 1.

A tract of land comprised of all or parts of Blocks 19, 20, 31, 32, 33, 40 and 41 in the Original Town of Chicago, together with parts of streets and alleys adjoining said blocks, in the south half of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, which tract is more particularly described as follows:

beginning at the intersection of the west line of North LaSalle Street, as widened, with the north line of Block 33; thence west along said north line (being also the south line of West Lake Street) to the west line of said block; thence south along said west line (being also the east line of North Wells Street) to the north line of West Couch Place; thence east along said north line to an intersection with the northward extension of the west line of Lot 7 in Block 33; thence south along said extension, and along said west line, to the south line of said block; thence east along said south line (being also the north line of West Randolph Street) and along the eastward extension of said south line, to an intersection with the northward extension of the west line of Block 39 in the Original Town of Chicago; thence south along said extension, and along said west line (being also the east line of North LaSalle Street) to an intersection with the eastward extension of the south line of West Court Place; thence west along said extension and along said south line to the west line of Block 40 aforesaid; thence west, crossing North Wells Street, to the northeast corner of Lot 8 in Block 41 aforesaid; thence west along the north line of said lot to an intersection with the southward extension of the west line of Lot 1 in said block; thence north along said extension and along said west line, to the north line of Block 41; thence west along said north line (being also the south line of West Randolph Street) to

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the northwest corner of said block; thence west, crossing North Franklin Street, to the northeast corner of Block 42 in the Original Town of Chicago; thence west along the north line of said Block 1 (being also the south line of West Randolph Street) to an intersection with the southward extension of the west line of the east 20 feet of Lot 7 in Block 31 aforesaid; thence north along said extension and along said west line, to the north line of West Couch Place; thence east along said north line to the east line of Block 31; thence north along said east line (being also the west line of North Franklin Street) and along the northward extension of said east line to an intersection with the westward extension of the south line of Block 20 aforesaid; thence east along said extension, and along said south line (being also the north line of West Lake Street) to the west line of North Post Place; thence north along said west line and along the northward extension thereof, to an intersection with the westward extension of the north line of West Haddock Place; thence east along said extension and along said north line to the east line of Block 20; thence east, crossing North Wells Street, to the intersection of the west line of Block 19 aforesaid with the north line of West Haddock Place; thence east along said north line to an intersection with the west line of North LaSalle Street as widened; thence south along said west line to the south line of Block 19; thence south, crossing West Lake Street, to the point of beginning, in the City of Chicago, Cook County, Illinois.

Subarea 2.

A tract of land comprised of part of Block 58 and parts of adjacent streets and alleys in the Original Town of Chicago in Section 9, together with all or parts of Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14 and 15 and parts of adjacent streets and alleys in Fort Dearborn Addition to Chicago in Section 10, and all or parts of Blocks 1 through 10, and all or parts of Blocks 1 through 10, inclusive, and parts of adjacent streets and alleys in Fractional Section 15 Addition to Chicago, and all or parts of Blocks 113, 114, 120, 122, 123, 124, 137, 138, 139, 140, 141 and 142 in School Section Addition to Chicago, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the northwest corner of Block 8 in Fort Dearborn Addition to Chicago in Section 10 aforesaid; thence east along the north line of said block (being also the south line of East Wacker Drive) to the northeast corner of Lot 6 in said block; thence south along the east line of said lot to the north line of East Haddock Place; thence west along said north line to an intersection

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with the northward extension of the east line of Lot 28 in Block 8; thence south along said extension, and along said east line, to the south line of said block; thence east along said south line (being also the north line of East Lake Street) to an intersection with the northward extension of the east line of Lot 10 in Block 9 of Fort Dearborn Addition to Chicago; thence south along said extension, and along said east line to the north line of East Benton Place; thence east along said north line, and along the eastward extension thereof, to an intersection with the northward extension of the west line of the south part of Block 10 in Fort Dearborn Addition to Chicago; thence south along said extension, and along said west line (being also the east line of North Wabash Avenue) and along the southward extension thereof, to an intersection with the eastward extension of the north line of Block 13 in said Fort Dearborn Addition; thence west along said extension to the northeast corner of said Block 13; thence south along the east line of said block (being also the west line of North Wabash Avenue) to the southeast corner of said block; thence west along the south line of said block (being also the north line of East Washington Street) to an intersection with the northward extension of the west line of Block 14 in Fort Dearborn Addition; thence south along said extension, and along said west line (being also the east line of North State Street) to an intersection with the eastward extension of the south line of Lot 1 in Assessor's Resubdivision of Sublots 1 to 5 of Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58 in the Original Town of Chicago aforesaid; thence west along said extension, crossing North State Street and entering Section 9 aforesaid, and continuing along said south line of said Lot 1, to the southwest corner of said lot; thence north along the west line of said lot to the north line of Block 58; thence west along said north line (being also the south line of West Washington Street) to the northwest corner of Lot 7 in Assessor's Division of Lots 1, 2, 3, 4 and 5 of Block 58; thence south along the west line of said lot to the north line of West Calhoun Place; thence west along said north line, and along the westward extension thereof, to an intersection with the northwest extension of the east line of the south part of Block 57 in the Original Town of Chicago aforesaid; thence south along said extension and along said east line (being also the west line of North Dearborn Street) and along the southward extension of said east line to the southeast corner of said Block 57, thence southward, crossing West Madison Street and entering Section 16, to the northeast corner of Block 119 in School Section Addition aforesaid, thence south along the east line of said block (being also the west line of South Dearborn Street) to an intersection with the westward extension of the north line of Lot 20 in the subdivision of Block 142 in said School Section Addition; thence east along said extension, and along said north line, to the northeast corner of said lot; thence south along the east line of Lots 20 through 27, inclusive, in said subdivision, and

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along the southward extension thereof, to an intersection with the north line of Block 141 in School Section Subdivision aforesaid; thence east along said north line (being also the south line of West Monroe Street) to the northwest corner of the east half of Lot 3 in said Block 141; thence south along the west line of the east half of said lot to the north line of West Marble (hydraulic) Place; thence west along said north line, and the westward extension thereof; to an intersection with the northward extension of the east line of Lot 20 in County Clerk's Division of Block 120 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Dearborn Street) and along the southward extension of said east line, to an intersection with the westward extension of the north line of Block 140 in School Section Addition; thence east along said extension and along said north line (being also the south line of West Adams Street) to an intersection with the west line of the east 25 feet of Lot 5 in the subdivision of Blocks 83, 92 and 140 in School Section Addition; thence south along said west line to an intersection with the westward extension of the south line of the alley in the subdivision of Lots 3 and 4 in said Block 140; thence east along said extension and along said south line to an angle point; thence southeastwardly along a southwesterly line of said alley to an angle point; thence south along a west line of said alley and along the southward extension thereof, to an intersection with the north line of Lot 13 in the aforementioned subdivision of Blocks 83, 92 and 140; thence east along said north line (being also the south line of West Quincy Street) to the northeast corner of said Lot 13; thence south along the east line of said lot to the south line of Block 140; thence west along said south line (being also the north line of West Jackson Boulevard) and along the westward extension thereof, to an intersection with the northward extension of the east line of Lots 1, 4, 8, 11, 14, 17, 20 and 23 in Wright's Subdivision of Block 122 in School Section Addition; thence south along said extension, and along said east line (being also the west line of South Federal Street) to the southeast corner of said Lot 23; thence west along the south line of said Lot 23 and the westward extension thereof, and also along the south line of Lot 22 in Wright's Subdivision (being also the north line of West Van Buren Street) to the southwest corner of said Lot 22; thence west, crossing South Clark Street, to the southeast corner of Lot 22 in the subdivision of Block 115 of School Section Addition aforesaid, thence west along the south line of said Lot 22 and Lot 23 (being also the north line of West Van Buren Street) to the southwest corner of said Lot 23; thence west, crossing South LaSalle Street, to the southeast corner of that part of said street vacated by ordinance passed February 29, 1980, and recorded August 12, 1980, as Document Number 25545766; thence south along the southward extension of the east line of said vacation to an intersection with the north line of Lot 3 in the subdivision of Block 114 of School Section Addition; thence east along said north line (being also the south line of West Van Buren Street) to the

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northeast corner of said lot; thence south along the east line of Lots 3, 4, 9, 10, 15, 16, 21 and 22 (being also the west line of South LaSalle Street) to the southeast corner of said Lot 22; thence south, crossing West Congress Parkway as said expressway is defined by the general ordinance passed October 31, 1940, to the intersection of the east line of Lot 6 in T. G. Wright's Subdivision of Block 113 in School Section Addition with the south line of said West Congress Parkway; thence east along said south line to an intersection with the east line of Lot 9 (said east line being also the west line of South Plymouth Court) in C. L. and I. Harmon's Subdivision of Block 137 in School Section Addition; thence north, crossing West Congress Parkway, to the intersection of the east line of Lot 24 in T. G. Wright's Subdivision of Block 138 in School Section Addition with the north line of said expressway; thence east along the north line of said West Congress Parkway, and along the north line of East Congress Parkway, entering into Section 15 aforesaid, to an intersection with the west line of Sublot 2 of Lot 10 in Canal Trustee's Subdivision of Block 10 of Fractional Section 15 Addition to Chicago; thence south along said west line to said north line of East Congress Parkway; thence east along said north line to the east line of South Michigan Avenue as widened; thence north along said widened line, entering Section 10 aforesaid, to an intersection with the north line of Block 6 in Fort Dearborn Addition aforesaid; thence east along said north line (being also the south line of East South Water Street) to an intersection with the southward extension of the east line of Lot 6 in Dyer's Subdivision of Lots 6, 7, 8, 9, 10 and 11 in Block 5 of Fort Dearborn Addition to Chicago; thence north along said extension, and along said east line, to the northeast corner of said lot; thence north, crossing a 20 foot wide alley, to a point on the south line of Lot 11 in Dyer's Subdivision which is 124.00 feet east of the southwest corner of said lot; thence north along a line 124.00 feet east from, and parallel with, the west line of aforementioned Block 5, to an intersection with the south line of Lot 5 in said block; thence north to a point on the north line of Lot 1 in said block which is 121.18 feet east from the northwest corner of said lot; thence continuing north along a northward extension of the last described line to an intersection with the northerly line of East Wacker Drive (River Street) as widened; thence westwardly, southwestwardly, north and southwestwardly along said northerly line, and along the southerly dock line of the Chicago River to an intersection with the northward extension of the west line of Block 8 of Fort Dearborn Addition aforesaid; thence south along said extension to the point of beginning, excepting from the above described tract Lots 19 through 25, inclusive, in Block 10 in Fort Dearborn Addition to Chicago; in the City of Chicago, Cook County, Illinois.

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EXHIBIT B

Parcel 1:

THE SOUTH 10 FEET OF SUB LOT 3 AND THE NORTH 10 FEET OF SUB LOT 4 IN THE SUBDIVISION OF LOTS 7 AND 10 IN BLOCK 2 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS (EXCEPT THE WEST 27 FEET OF SAID LAND FALLING IN STATE STREET AS WIDENED).

Parcel 2:

SUB LOT 4 (EXCEPT THE NORTH 10 FEET THEREOF) OF LOTS 7 AND 10 IN BLOCK 2 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS (EXCEPT THE WEST 27 FEET OF SAID LAND FALLING IN STATE STREET AS WIDENED).

PIN: 17-15-100-016-0000
17-15-100-027-2001
17-15-100-027-2002

Common Address: State Street + Monroe Street
Chicago, Illinois

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EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Line Item

Cost

Rehabilitation

\$2,500,000

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EXHIBIT D

[OMITTED FOR RECORDING PURPOSES]

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CONTRACT

THIS AGREEMENT ("Contract") between MENTOR BUILDING, L.L.C., of 1400 S. Wolf Road, Bldg. 100, Wheeling, Illinois 60090, Managing Agent of MENTOR BUILDING [hereinafter referred to as "PROJECT"] (hereinafter called "OWNER"), and CAPITOL CONSTRUCTION GROUP (hereinafter called "CONTRACTOR");

WITNESSETH:

THAT the OWNER and CONTRACTOR, for the consideration hereinafter named, agree as follows:

1. That the CONTRACTOR shall furnish and pay for all labor, material, insurance, tools, equipment, machinery, water, heat, utilities, transportation, permit fees and other facilities and services necessary for proper execution and completion of the Work and Contractor shall perform all the work necessary relating to redevelopment at the PROJECT, located at 37-39 S. State Street, Chicago, Illinois, to be completed as shown on the drawings, bid specifications or other documents provided by OWNER, and in accordance with Exhibit "A" attached hereto (hereinafter the "Work"). The Contractor shall supervise and direct the Work, using its best skill and attention and it shall be responsible for all construction means, methods, techniques, sequences and performances and for coordinating all portions of the Work under this Contract.

The Contract Documents include this Contract Agreement and the following:

- Exhibit "A" - Scope of Work
- Exhibit "B" - Supplemental Provisions (MBEWBE)
- Exhibit "B-1" - Documentation and Prevailing Wage Rates
- Exhibit "C" - Additional Insured
- Exhibit "D" - Certificate of Insurance
- Exhibit "E" - Contract Sum
- Exhibit "F" - Time Schedule

The aforesaid Documents by reference are hereby made a part of this Contract. The CONTRACTOR represents that it has had an opportunity to examine and has carefully examined all drawings, specifications, general conditions and Project criteria for the Work to be performed hereunder, and has examined the job site, its surroundings and local conditions, that he has made all investigations essential to a full understanding of all circumstances and the difficulties which may be encountered and CONTRACTOR has specific qualifications for doing the Work in accordance with such drawings, specifications, general conditions and Project criteria and the terms of this Contract by the date, or in accordance with the time requirements, specified herein. The OWNER shall have the right to require the CONTRACTOR to furnish bonds covering the faithful performance of this Contract Agreement and the payment of all obligations arising thereunder.

2. **TIME SCHEDULE:** Time is the essence of this Contract. It is understood that the CONTRACTOR agrees to start the Work immediately, commencing no later than July 1, 1999. CONTRACTOR shall complete the Work without delay as expeditiously as possible and in accordance Exhibit F, and in no event later than December 31, 2000, being acknowledged that such Work is essential to the operation of the Project or other property involved.

THE CONTRACTOR agrees that if it should be adjudged a bankrupt, or it makes a general assignment for the benefit of creditors, or if a receiver is appointed on account of its insolvency, or if it neglects to prosecute the Work diligently, properly and to the satisfaction of OWNER, or fails to perform or violates any provision of this Contract including prompt payment of wages, union benefits or any other obligations, or if it disregards or violates laws, ordinances, rules, regulations or orders of any public authority, the OWNER, upon written notice to the CONTRACTOR, may, without prejudice to any other right or remedy it may have, terminate the employment of the CONTRACTOR (or cause CONTRACTOR to terminate employment of any Subcontractor, Sub-subcontractor, vendor or materialman if, as to the Subcontractor, Sub-subcontractor, vendor or materialman, there occurs any of the following: bankruptcy, general assignment for creditors, receiver, or failure to prosecute any work diligently, properly and to OWNER'S satisfaction, or fails to perform or violates any provision of this Contract) and take possession of the site and of all materials, equipment tools and equipment thereon and may finish the Work by whatever method it may deem expedient and may deduct the cost thereof from the payments then or thereafter due the CONTRACTOR. If the cost of finishing the Work exceeds the balance due to Contractor hereunder, Contractor shall pay the difference to Owner, together with interest thereon at the maximum lawful rate.

3. **THE CONTRACT SUM:** Upon satisfactory completion of all the Work, as defined on Exhibit A, the OWNER shall pay the CONTRACTOR in current funds for the performance of the Work, subject to additions and deductions authorized by the written Change Order signed by OWNER and subject to Paragraph 14 of this contract, the sum is stated in Exhibit "E", which is inclusive of all applicable taxes, licenses, permits, delivery charges, tools, machinery, water, heat, utilities, transportation, daily clean-up costs, labor, material, profit and overhead, and other facilities and services necessary for proper execution and completion of the Work.

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4. **PERMITS AND INSPECTION FEES:** All permits, licenses and inspection fees (other than the general local building permit, as distinguished from such permits or licenses as may be required with respect to specific Work to be performed under this Contract) are to be paid by the OWNER.

5. **WORKING CONDITIONS:** CONTRACTOR shall at all times provide adequate competent personnel, shall cooperate with OWNER and shall work harmoniously with all other contractors, if any, performing work at the site. CONTRACTOR shall perform the work in such a manner so as to permit other contractors to accomplish and work within the limits of OWNER'S schedule. CONTRACTOR agrees to comply with the Department of Labor Occupational Safety and Health Standard Act of 1970, Title 29, Chapter XVII, Part 1910 effective April 27, 1971, as amended by any subsequent federal regulations, as applicable to the scope of the Contract as specified and intended under this Contract Agreement, and further agrees to comply (and to cause all others, including without limitation, Subcontractors, Sub-subcontractors, vendors and materialmen, to comply) with all laws, ordinances, regulations, statutes, including but not limited to those respecting environmental matters and asbestos or other hazardous materials, those governing anti-discrimination and equal opportunity in employment, and/or local, state or federal administrative rulings of every kind as may apply to the Work and/or CONTRACTOR'S, or any Subcontractor, Sub-subcontractor, vendor or materialman's activities of any kind at the job site. Contractor shall not permit any materials containing asbestos to be incorporated in the Work. In the event of non-compliance and/or violation of said rules, regulations, etc., and resulting fines, penalties and/or work cessation orders, issued to the CONTRACTOR and/or OWNER hereunder, CONTRACTOR agrees to immediately pay such fines or penalties issued to CONTRACTOR and/or OWNER and reimburse OWNER for any and all costs, damages and expenses resulting therefrom. Contractor shall not perform or permit any Work to be performed while the performing person is under the influence of alcohol or any controlled substance. Contractor shall not use, possess, distribute or sell alcoholic beverages, illicit or unprescribed controlled drugs, drug paraphernalia, or misuse legitimate prescription drugs while performing Work for Owner. Contractor may be removed by Owner from performing the Work any time there is reasonable suspicion of alcohol/drug use, possession or impairment. Contractor will comply with all applicable federal, state and local drug and alcohol related laws and regulations (e.g. Department of Transportation regulations, Department of Defense Drug-Free Workforce Policy, Drug-Free Workplace Act of 1988).

CONTRACTOR agrees to accept a "back charge" deductible from its invoices for OWNER'S supervisor's time and travel costs if more than one trip to the job is required of OWNER because of CONTRACTOR'S failure to complete punch list items specified by OWNER.

6. **INSURANCE AND INDEMNIFICATION:** Prior to starting any work, the CONTRACTOR shall obtain the required insurance as hereinafter set forth, and shall furnish satisfactory evidence to the OWNER that the CONTRACTOR and all Subcontractors and Sub-subcontractors, if any, have complied with said requirements by having their insurance agents complete and issue the Certificate of Insurance, (evidencing compliance with the insurance requirements herein contained) attached hereto as Exhibit "D", showing CONTRACTOR or Subcontractor, Sub-subcontractor, as the case may be, as the policy holder and naming as additional insureds the parties set forth on Exhibit "C" attached hereto. Contractor shall provide Owner with a copy of the applicable additional insured policy endorsements in compliance with the terms hereof.

This CONTRACTOR hereby agrees that it will obtain insurance (including, without limitation, bodily injury, death, and property damage liability) and cause all Subcontractors, Sub-subcontractors, vendors and materialmen to obtain insurance as follows:

COMMERCIAL GENERAL LIABILITY, (OCCURRENCE FORM): \$1,000,000 per occurrence, per job site, and in the aggregate

BUSINESS AUTOMOBILE POLICY (owned, leased and non-owned vehicles): \$1,000,000 per occurrence

UMBRELLA (EXCESS) LIABILITY INSURANCE: \$2,000,000

Such insurance must be written by a company or companies acceptable to OWNER and licensed in the state in which the work is to be performed. The insurance carrier shall at all times during the term of this Contract Agreement have a policyholder's rating of not less than "A+, Class X" in the most current edition of *A.M. Best Company Rating Guide*. Each policy of insurance shall contain a clause that such policy and the coverage evidenced thereby shall be primary with respect to any policies carried by OWNER, and that any coverage carried by OWNER shall be excess insurance. The amount of the primary insurance company's liability under the aforesaid policies shall not be reduced by the existence of excess or contingent insurance.

The CONTRACTOR further agrees that it will obtain insurance and cause all Subcontractor's, Sub-subcontractor's, vendors and materialmen to obtain insurance to cover their employees as follows:

Workmen's Compensation and Occupational Disease with statutory limits as provided by the State of Illinois or any other State in which the work hereunder is to be performed, and Employer's Liability with a limit of not less than \$500,000 for all damage from one or more claims.

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Certificates of insurance submitted to OWNER must indicate that the hold harmless agreement as hereinafter set forth is insured and must provide that thirty (30) days advance written notice will be given to the party to whom such certificates are issued in the event of any change in or cancellation of the policies or a reduction in the limits thereof. Under no circumstances will any invoices for progress payments or final payment be honored by OWNER unless such certificates of insurance have been filed with OWNER. Failure of CONTRACTOR to provide or cause to be provided the aforementioned certificates of insurance in no manner voids CONTRACTOR obligations as set forth herein. Contractor is responsible for having a Certificate of Insurance for each sub-contractor which indicate the insurance coverage is valid and has not expired.

Upon request by OWNER, from time to time, CONTRACTOR shall, at its cost, cause the title insurance company insuring OWNER and any mortgagee or mortgagor of the property on which the Work is to be performed, to issue its interim certification endorsement(s) to the OWNER'S and mortgagee's and mortgagor's title insurance policy over loss or damage resulting from mechanic's and materialmen's lien claims (relating to the Work) in the amount of the value of all Work performed to the date of such request.

7. **JOINT USE:** Joint use of facilities may be permitted by the CONTRACTOR only with prior written approval of the OWNER and then such joint use shall be the total responsibility of the CONTRACTOR including any damage to person or property and CONTRACTOR shall require such joint user to furnish a hold harmless agreement to CONTRACTOR and OWNER and to provide all insurance required herein, all to the satisfaction of OWNER.

8. **RUBBISH REMOVAL:** CONTRACTOR shall keep his rubbish and waste material from accumulating and shall remove same from the job site periodically, as necessary to keep the job site in a clean, safe and hazard free condition at all times throughout the term of this agreement. The OWNER shall have the right to demand removal as necessary to keep the premises clean. If the rubbish is not removed within twenty-four (24) hours after notice, removal may be performed at OWNER's option, by OWNER. Backcharges to the CONTRACTOR will be made for all costs incurred plus 15% overhead, and the CONTRACTOR hereby authorizes such backcharges to be deducted from any invoices rendered by OWNER.

9. **TAXES AND BENEFITS:** The CONTRACTOR agrees to pay all sales tax, income tax, personal property tax, social security, old age benefits, and unemployment compensation taxes, and other taxes related thereto for all labor, material and equipment used by the CONTRACTOR during performance of or related to the Work.

10. **DISPUTES:** In the event of a dispute or disagreement of any kind between OWNER and CONTRACTOR, the judgment and decision of OWNER'S Architect shall be controlling and conclusive, and CONTRACTOR does hereby release and forever discharge OWNER, its officers, employees, agents, successors and assigns of and from any and all manner of action or causes of actions, in law or equity, or liens, allegedly arising out of or in connection with the Work.

11. **HOLD HARMLESS AGREEMENT:** The CONTRACTOR will and does agree to defend, indemnify, save and hold harmless, the OWNER'S architects, their respective agents, officers, employees, mortgagees and assigns, to the fullest extent permitted by law, of and from all claims, loss, damage, injury causes and actions, suits of whatsoever nature (except only any thereof resulting from the negligent act of any or all of the indemnitees), for personal injury, including death resulting therefrom, and for property damage alleged to arise out of, or any conditions, of the work performed under this Contract whether by this CONTRACTOR or by any Subcontractor of this CONTRACTOR, or any Sub-subcontractor, vendor or materialmen, and whether any such claim, cause of action, or suit is asserted against PROJECT, the OWNER, and/or the OWNER'S architects, their agents, officers, employees, mortgagees and assigns or CONTRACTOR severally, jointly, and/or jointly and severally.

CONTRACTOR will and hereby agrees to defend, indemnify and hold harmless, PROJECT, the OWNER, the OWNER'S architects, their agents, officers, employees, and assigns of and from all costs, including without limitation attorney's fees and costs of litigation, administrative costs, and other related items of expense arising out of any claim, cause of action or suit of the kind and nature set forth in the preceding paragraph.

CONTRACTOR specifically declares and admits that the indemnity and hold harmless agreements contained in the two (2) preceding paragraphs shall apply with equal force, validity, and intent to the liabilities of PROJECT, the OWNER'S architects, their agents, officers, employees, and assigns, existing by virtue of the provisions of the: "Act providing for the protection and safety of persons in or about the construction, repairing, alteration, or removal of building bridges, via-ducts, and other structures, and to provide for the enforcement thereof," Ill. Rev. Stat. 1953, Ch. 48 Sections 60 to 69 relating to Structural Work as amended, and under such comparable statutes of the State in which the work hereunder is to be performed.

The obligations of the CONTRACTOR hereunder shall not extend to the liability of the OWNER'S architect or engineer, his agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs, or specifications, or (2) the giving of or the failure to give directions or instructions by the OWNER'S architect or engineer, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.

12. **GUARANTEES:** CONTRACTOR guarantees to repair or replace any or all of its work which may in the opinion of the OWNER, be defective in workmanship or material within a period of 365 days from the date of completion of the Work, together with any damage resulting from such defect and any other adjacent work or improvements which may be displaced by such repair or replacement without any expense whatsoever to the OWNER. In the event of its failure to comply with the aforesaid guarantee within ten (10) days after being notified in writing by the OWNER, CONTRACTOR does hereby authorize the OWNER to proceed to have said noncompliance remedied or said defect repaired and made good at CONTRACTOR'S expense and CONTRACTOR will honor and pay the costs and charges therefor upon demand.

13. **ASSIGNMENT OF CONTRACT:** No assignment or transfer of this Contract or any part thereof or interest therein or monies due, or which may become due hereunder, shall be made without the prior written consent of the OWNER. Contractor agrees to assign this agreement to any Lender, Bank or Mortgagee, upon request of owner.

14. **CHANGES AND EXTRAS:** The OWNER, without invalidating this Contract, may make changes by altering, adding to or deducting from the Work, and the Contract price shall be adjusted accordingly, as hereinafter provided. All such work shall be subject to and executed under conditions of the original Contract. The only CONTRACTOR representative authorized to make changes or extras to the work is the company agent who has signed this original document.

Contractor change order requests shall be submitted to OWNER in writing in advance of any work being started. If the contractor performs work without the written authorization of the OWNER, such work shall be at the sole cost of the CONTRACTOR.

Overtime work, if authorized in writing by the OWNER, shall be invoiced to the OWNER at CONTRACTOR'S cost, exclusive of profit.

15. **PROGRESS PAYMENT:** Progress payments, if required under this Contract, will not be made until (1) an executed copy of this Contract has been returned to OWNER, (2) Certificates of Insurance evidencing coverage required herein have been filed with the OWNER'S office and accepted by the OWNER and (3) affidavits and sworn statements, partial waivers of lien from CONTRACTOR and all Subcontractors, Sub-subcontractors, vendors and materialmen, and evidence of payment to all Subcontractors, Sub-subcontractors, vendors and materialmen have been submitted to and accepted by OWNER. Owner reserves the right to retain ten percent (10%) of the contract sum and to hold the retention until the Work is completed to Owner's satisfaction.

16. **FINAL PAYMENT:** Final payment shall be due when the Work is fully completed and performed in accordance with the Contract Documents and is satisfactory to the OWNER and the OWNER'S architects. CONTRACTOR must submit to the OWNER a final invoice, satisfactory guarantees, warranties and certificates within 30 days after the close of the job, and as required by the specifications and terms of this agreement before final payment will be issued. Before issuance of the final payment, the CONTRACTOR, if required, shall submit satisfactory evidence to the OWNER that all payrolls, bills for material and equipment, Subcontractor and Sub-subcontractor invoices, and all other known indebtedness connected with the CONTRACTOR'S Work has been paid, and shall submit to OWNER complete and final affidavits, sworn statements and waivers of lien from CONTRACTOR and all Subcontractors, Sub-subcontractors, vendors and materialmen satisfactory to OWNER.

The OWNER and the CONTRACTOR for themselves, their successors, executors, administrators and assigns, if permitted, do hereby agree to the full performance of the covenants of this Agreement.

17. **SUBCONTRACTORS:**

A. **SUBCONTRACTORS:** A Subcontractor, is a person or organization who has a direct contract with the CONTRACTOR to perform any of the Work at the site. The term Subcontractor, is referred to throughout the Contract as if singular in number and masculine in gender and means a Subcontractor, or his authorized representative.

B. **AWARD OF SUBCONTRACTS, SUB-SUBCONTRACTS:** Unless otherwise specified in this Contract Agreement, the CONTRACTOR, as soon as practicable after the award of this Contract, shall furnish to the OWNER in writing a list of the names of the Subcontractors and Sub-subcontractors proposed for the principal portions of the Work. The OWNER shall promptly notify the CONTRACTOR in writing if the OWNER, after due investigation, has reasonable objection to any Subcontractor or Sub-subcontractor on such list and does not accept it.

The CONTRACTOR shall not contract with any Subcontractor or any person or organization (including those who are to furnish materials or equipment fabricated to a special design) proposed for portions of the Work designated in this Contract or, if none is so designated, with any Subcontractor or Sub-subcontractor proposed for the principal portions of the Work, who has been rejected by the OWNER.

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If the OWNER refuses to accept any Subcontractor, Sub-subcontractor or person or organization on a list submitted by the CONTRACTOR in response to the requirements of this Contract, the CONTRACTOR shall submit an acceptable substitute.

If the OWNER requires a change of any proposed Subcontractor or person or organization previously accepted by it, the Contract Sum shall be increased or decreased by the difference in cost occasioned by such change and an appropriate Change Order shall be issued.

The CONTRACTOR shall not make any substitution for any Subcontractor or person or organization who has been accepted by the OWNER unless the substitution is acceptable to the OWNER.

C. SUBCONTRACTUAL RELATIONS: All Work performed for the CONTRACTOR by a Subcontractor shall be pursuant to an appropriate agreement between the CONTRACTOR and the Subcontractor, (and where appropriate between Subcontractors and Sub-subcontractors) which shall contain provisions that: (a) preserve and protect the rights of the OWNER under this Contract with respect to the Work to be performed under the subcontract so that the subcontracting thereof will not prejudice such rights; (b) require that such Work be performed in accordance with the requirements of this Contract; (c) require submission to the CONTRACTOR of applications for payment under each subcontract to which the CONTRACTOR is a party, in reasonable time to enable the CONTRACTOR to apply for payment in accordance with this Contract; (d) waive all rights the contracting parties may have against one another for damages caused by fire or other perils covered by property insurance; (e) require that the subcontractor conform to the outlined standards and reports as stated in the exhibits of this contract (as from time to time modified) and (f) obligate each Subcontractor specifically to consent to the provisions of this Section.

D. PAYMENTS TO SUBCONTRACTORS: The CONTRACTOR shall pay each Subcontractor upon receipt of payment from the OWNER, an amount equal to the percentage of completion allowed to the CONTRACTOR on account of such Subcontractor's Work, less the percentage retained from payments to the CONTRACTOR. The CONTRACTOR shall also require each Subcontractor to make similar payments to its Sub-subcontractors. The OWNER shall not have any obligation to pay or to see to the payment of any moneys to any Subcontractor or Sub-subcontractor.

18. WRITTEN NOTICE: Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to an employee of the corporation for whom it was intended, or if delivered at or sent by registered or certified mail or by national courier service to the address set forth herein, and if none is set forth herein, to the last business address known to him who gives the notice.

19. TESTS: If this Contract, laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any Work to be inspected, tested or approved, the CONTRACTOR shall give the OWNER timely notice of its readiness and of the date arranged so the OWNER may observe such inspection, testing or approval. The CONTRACTOR shall bear all costs of such inspections, tests and approvals unless otherwise provided herein.

If after the commencement of the Work the OWNER determines that any Work requires special inspection, testing, or approval which the preceding paragraph does not include, it may instruct the CONTRACTOR to order such special inspection, testing or approval, and the CONTRACTOR shall give notice as in the preceding paragraph. If such special inspection or testing reveals a failure of the Work to comply (1) with the requirements of this Contract or (2) with respect to the performance of the Work, with laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, the CONTRACTOR shall bear all costs thereof, including architect's and engineer's additional services made necessary by such failure; otherwise the OWNER shall bear such costs.

Required certificates of inspection, testing or approval shall be secured by the CONTRACTOR and promptly delivered by it to the OWNER.

Neither the observations of the OWNER, nor inspections, tests or approvals by persons other than the CONTRACTOR, shall relieve the CONTRACTOR from its obligations to perform the Work in accordance with this Contract.

20. This Contract shall be governed by the law of the place where the Work site is located.

21. This Contract contains the entire agreement of the parties hereto and supersedes all prior oral or written agreements between the parties.

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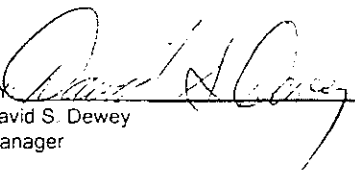
22. Failure of Owner to insist upon enforcement of any of the terms hereof or to exercise any of Owner's rights hereunder shall not be construed as a waiver or relinquishment of any of Owner's rights. Owner's rights hereunder can only be waived in writing.

23. In the event of a default hereunder by Contractor, Owner shall be entitled to recover from Contractor all of Owner's attorney's fees incurred in enforcing the terms hereof and other costs in connection with enforcement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement this 1 day of July, 1999.

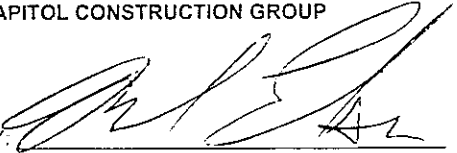
OWNER:

MENTOR BUILDING, L.L.C.

BY: 
David S. Dewey
Manager

CONTRACTOR:

CAPITOL CONSTRUCTION GROUP

BY: 

OWNER ADDRESS:

Mentor Building, L.L.C.
1400 South Wolf Road, Bldg. 100
Wheeling, Illinois 60090
(847) 215-5384
(847) 215-5333 FAX

CONTRACTOR ADDRESS:

Capitol Construction Group
1400 South Wolf Road, Bldg. 100
Wheeling, Illinois 60090

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EXHIBIT A 09156134

SCOPE OF WORK

1. Base Building work not included in contractors scope includes:
 - a) Asbestos Abatement; and
 - b) Demolition

2. Retail Space (Floors 1, 2, and 1,000 SF of Basement Space)

Contractor will complete the work in compliance with the Plans and specifications listed below:

3. Condominium Space (Floors 3-17 and a portion of Lower Level 1 and all of Lower Level 2)

Contractor will complete the work in compliance with the Plans and Specifications listed below:
(Insert list of plans when available)

4. Contractor is responsible for the coordination of all work being completed in the entire building including the exterior and interior.

5. The Retail Space must be completed by November 15, 1999.

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**EXHIBIT B
SUPPLEMENTAL PROVISION**

**RIDER TO THAT CERTAIN CONTRACT BY AND BETWEEN
MENTOR BUILDING, L.L.C. MANAGING AGENT (HEREINAFTER REFERRED TO
AS "OWNER"), AND CAPITOL CONSTRUCTION GROUP, AS CONTRACTOR,
DATED JULY 1, 1999 (THE "AGREEMENT") CONCERNING SULLIVAN OFFICE
CENTER AT THE NORTHEAST CORNER OF STATE STREET AND MONROE
STREETS, CHICAGO, ILLINOIS
(THE "PROJECT")**

This Rider supplements and modifies the provisions of the Agreement. In the event of any inconsistency between the provisions of the Agreement and the provisions of this Rider, the provisions in this Rider shall supercede such provisions in the Agreement. All items defined in the Agreement and used in this Rider shall have the same definition as set forth in the Agreement, except that, from and after the date hereof, the term Agreement when used therein shall mean the Agreement as supplemented and modified by this Rider.

1. If required by OWNER or the City of Chicago ("The City") Contractor hereby agrees that prior to commencement of its work in the Public Way under the Agreement (the "Work"), the Contractor shall obtain and deliver to Owner performance and payment bonds provided by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The Contractor agrees that the City of Chicago shall be named as obligee or co-obligee on such bond.

2. Contractor hereby agrees that all Change Orders (and documentation substantiating the need and identifying the source of funding therefor), if any are authorized under the Agreement, shall be submitted by the Owner to the City and the City's prior written approval is a condition precedent to the effectiveness of such Change Orders. No work relating to such Change Orders or the furnishing of materials in connection therewith shall be performed or obtained prior to the receipt by Owner of the City's prior written approval. Contractor further agrees that all of its contracts with its subcontractors, if any, shall contain a provision to this effect. However, notwithstanding anything to the contrary herein, Change Orders costing less than Two Hundred Fifty Thousand Dollars (\$250,000.00) each, to an aggregate amount of One Million Dollars (\$1,000,000.00), do not require the City's prior written approval.

3. The Contractor agrees and agrees to contractually obligate each of its subcontractors to comply with the conditions and documentation requirements set forth in Exhibit B-1, as from time to time modified and to pay the prevailing wage rate as ascertained by the Illinois Department of

Labor (the "Department"), to all of its employees who perform any of the Work. 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. The specified rates applicable to the Agreement are identified in Exhibit B-1 as part of the Documentation Requirements.

Upon the Owner's request, the Contractor shall provide the City with copies of all of its contracts with its subcontractors to evidence compliance with this Paragraph 3. The Contractor further agrees to provide Owner with all information necessary to allow Owner to submit reports to the City evidencing compliance with the prevailing wage requirements

4. Contractor agrees and agrees to contractually obligate all of its subcontractors (Contractor and its subcontractors are sometimes collectively referred to herein as the "Employers" or, individually, an "Employer") to agree that during the period in which such Employer provides services in connection with the Work:

(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) Each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in the City.

(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 Paragraph, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

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

5. Contractor agrees and agrees to contractually obligate all of its subcontractors during the period in which Contractor or its subcontractors provide services in connection with the Work to comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Owner, the Contractor and each of its subcontractors shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

"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 Contractor shall and shall contractually obligate its subcontractors to maintain adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence. The Contractor shall and shall contractually obligate its subcontractors to submit to the Owner or to the City upon request of the Owner, from time to time, statements of its employment profile. Such information shall include but may not be limited to weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) which clearly identify the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name and should be accompanied by proof of City residency if applicable.

The Contractor shall and shall contractually obligate its subcontractor to provide full access to their employment records to the City of Chicago Purchasing Agent, the Commissioner of City's Department of Planning and Development, the Superintendent of the Chicago Police Department,

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the City's Inspector General, the Owner or their representatives, or any duly authorized representative of any of them. The Contractor shall and shall contractually obligate its subcontractors to maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

At the direction of the Owner, affidavits and other supporting documentation will be required of the Contractor and by the Contractor of 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 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 City's Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Paragraph concerning the worker hours performed by actual Chicago residents.

The willful falsification of statements and the certification of payroll data may subject the Contractor and/or the subcontractors to prosecution.

6. Contractor agrees and agrees to contractually obligate all of its subcontractors to agree during the period in which such party provides services in connection with the Work that, during the Project:

(a) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 *et seq.*, Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Paragraph, during the course of the Project, at least the following percentages of the total value of the Agreement (or, in the case of each subcontractor, the total value of the contract applicable thereto) 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) Consistent with Section 2-92-440, Municipal Code of Chicago, the Contractor's MBE/WBE commitment may be achieved in part by subcontracting a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Contractor's MBE/WBE commitment as described in this Paragraph.

(c) With each draw request the Contractor shall submit reports to the Owner evidencing compliance with this Paragraph. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Work, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the Owner in determining the Contractor's compliance with this MBE/WBE commitment. Contractor shall allow the Owner and the City access to the Contractor's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account on five (5) business days' notice.

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

(e) Any reduction or waiver of the Owner's or Contractor's MBE/WBE commitment as described in this Paragraph shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(f) Owner shall use its' best effort to ascertain and communicate to Contractor the obligations promulgated by the City's Department of Planning and Development ("DPD") with regard to the Contractor's compliance with its obligations under this Paragraph. During the Project, the Contractor shall submit any documentation required by the City, the Owner and this Paragraph to the monitoring staff of DPD or Owner. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Contractor is not complying with its obligations hereunder shall, upon the delivery of written notice by DPD or the Owner to the Contractor, be deemed a default hereunder. Upon the occurrence of any such default, in addition to any other remedies provided in this Agreement, the Owner may: (1) issue a written demand to the Contractor to halt the Work, (2) withhold any further payment of any funds to the Contractor, or (3) seek any other remedies against the Contractor available at law or in equity.

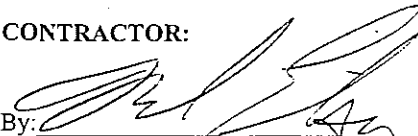
7. The Contractor shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Work and the disposition of all funds from whatever source allocated thereto, and to monitor the Work. All such books, records and other documents, including but not limited to the Contractors' and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Contractor's offices for inspection, copying, audit and examination by an authorized representative of the City, the Owner (or its representative), at the Contractor's

expense. The Contractor shall incorporate this right to inspect, copy, audit and examine all books and records into all subcontracts entered into by the Contractor with respect to the Work.

8. The Contractor shall provide and maintain, or cause to be provided and maintained, at its sole cost and expense, at all times throughout the term of the Agreement (or during the period that the work that is the subject of this Agreement is performed) and until each and every obligation of the Contractor, the types of insurance specified from time to time by Owner with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Contractor or any subcontractor.

Dated: _____, 1999

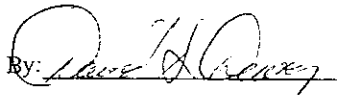
CONTRACTOR:

By: 

Name: Mark Erickson

Title: VP of Operations

OWNER:

By: 

Name: David S. Dewey

Title: MANAGER

EXHIBIT B-1

DOCUMENTATION REQUIREMENTS

SUMMARY BOOKLET

CITY OF CHICAGO

DEPARTMENT OF PLANNING AND DEVELOPMENT

11/25/97

Questions regarding the attached forms
Or questions on how to complete the forms
Should be directed to:

Douglas F. Mueller
Joseph Freed & Associates, Inc.
(847) 215-5363

\\NWSRV01\VOL2\ASSET\MAN\ARSONS\Contracts\EXHIBIT B-1.doc

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The Wage Determination

Payrolls must be submitted weekly as of the first day of construction per company, until the completion of their job.

- A payroll marked "No Work" must be submitted for any week a company isn't on site.
- The city will continue to look for payrolls unless the "final" payroll is flagged.
- The back of the payroll sheet must be thoroughly completed, and originally signed.
- Fringes benefits (in addition to regular rate) and time and a half (any amount over 40 hours) must be paid. Manner in which fringes are paid must be indicated on back of sheet.
- Tax information must be declared on payroll; if contractor files 1099, this must also be indicated on payroll. Only deductions permitted by the Secretary of Labor are allowed.
- The use of an "apprentice" title is allowed if the individual is enrolled in an apprenticeship training program approved by the Department of Labor; their certificate must be attached to payroll otherwise they will not be recognized as legitimate apprentices and will be considered an underpaid tradesman.
- If family members are hired they must be paid prevailing rates.
- You can not hire anyone under the age 16.
- If you use a Classification not within the enclosed rate table, a wage determination from the Department of labor must accompany the payroll, otherwise use of the classification will not be allowed and tradesman will have to be reclassified with a current classification and paid that rate.
- Prevailing wage rates may differ from union rates. You may not pay less then prevailing wage rates at any time.

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NOTICE TO ALL EMPLOYEES

Working on Federal or Federally Financed
Construction Projects

MINIMUM WAGE

You must be paid not less than the wage rate in the schedule posted with this notice for the kind of work you perform.

OVERTIME

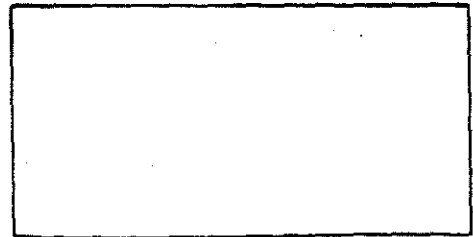
You must be paid not less than 1 ½ times your basic rate of pay for all hours worked over 40 a week. There are some exceptions.

APPRENTICES

Apprentice rates apply only to apprentice properly registered under approved Federal or state apprenticeship programs.

PROPER PAY

If you do not receive proper pay, contact the contracting Officer listed below:



Or you may contact the nearest office of the Wage & Hour Division, U.S. Department of Labor. The Wage & Hour Division has offices in several hundred communities throughout the country. They are listed in the U.S. Government section of most telephone directories under: U.S. Dept. of Labor Employment Standards Administration.

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Equal Employment is the LAW

Private Employment: State and Local Government, Educational Institutions

Race, Color, Religion, Sex, National Origin: Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in hiring, promotion, discharge, pay, fringe benefits, and other aspects of employment, on the basis of race, color, religion, sex or national origin. Applicants to and employees of most private employers, state and local governments and public or private educational institutions are protected. Employment agencies, labor unions and apprenticeship program also are covered. **Age:** The age discrimination in Employment Act of 1967, as amended, prohibits age discrimination and protect applicants and employees 40 years of age or older from discrimination in hiring, promotion, discharge, pay fringe benefits and other aspects of employment. The law covers most private employers, state and local government, educational institutions, employment agencies and labor organizations. **Sex (wages):** In addition to sex discrimination prohibited by title VII of the Civil Rights Act, the Equal Pay Act of 1963, as amended prohibits sex discrimination in payment of wages to women & men performing substantially equal work in the same establishment. The law covers most private employers, State & local governments & educational institutions. Labor organization will not cause employers to violate the law. Many employers not covered by Title VII, because of size, are covered by the Equal Pay Act. If you believe that you have been discriminated against under any of the above laws, you should immediately contact: The U.S. Equal Employment Opportunity Commission, 2401 E. Street, NW Washington, DC 20507 or an EEOC filed office by calling toll free 800-USA-EEOC. (For the hearing impaired, EEOC's TDD number is 202-634-7000.

Employers Holding Federal Contracts or Subcontracts

Race, Color, Religion, Sex, National Origin: Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, & requires affirmative action to ensure equality of opportunity in all aspects of employment. **Handicap:** Section 503 of the Rehabilitation Act of 1973, as amended, prohibits job discrimination because of handicap & requires affirmative action to employ & advance in employment qualified handicapped individuals who, with reasonable accommodation, can perform the functions of a job. **Vietnam Era & Special Disabled Veterans:** 38 U.S.C. 2012 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 prohibits discrimination & requires affirmative action to employ & advance in employment qualified Vietnam era veterans & qualified special disabled veterans. Applicants to & employees of companies with Federal government contract or subcontracts are protected under the authorization above. Any person who believes a contractor has violated its discrimination or affirmative action obligations under executive Order 11246, as amended. Section 504 of the Rehabilitation Act, 38 U.S.C. 2012 of the Vietnam Era Veteran readjustment Assistance Act should immediately contact: The Office of Federal Contract Compliance Programs (OFCCP) Employment Standards Administration, U.S. Department of Labor, 200 Constitution Avenue, NW Washington DC 20210, (202) 523-8743, or an OFCCP regional or area office, listed in most telephone directories under U.S. Government, Department of Labor.

Program or Activities receiving Federal financial Assistance

Handicap: Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of handicap in any program or activity which receives federal financial assistance. Discrimination is prohibited in all aspects of employment against handicapped persons who, with reasonable accommodation can perform the essential function of a job. **Race, Color, National Origin:** In addition to the protection of Title VII of the Civil Rights Act of basis no employer receiving federal assistance of any type will discriminate on the basis of race color or national origin. Employment discrimination is covered by title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. If you believe you have been discriminated against in a program which receives federal assistance you should immediately contact the federal agency providing such assistance.

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CITY OF CHICAGO – SUBCONTRACTOR ACTIVITY REPORT

Project Number:		HUD Source:			Date:	
Contractor:				Address:		
Project Name & Location:				Actual Construction Start Date:		
Name of Subcontractor Complete Address & Tax I.D. Number (note if MBE/WBE)	Amount of Contractor	Ethnic/ Racial Code	Gender Code	Section 3 Business Concern (Y/N)	Type(s) of Services Provided (Including Construction & Services)	Anticipated Start & Completion Dates:
#:	\$					Start: Complete:
#:	\$					Start: Complete:
#:	\$					Start: Complete:
#:	\$					Start: Complete:
#:	\$					Start: Complete:

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- Ethnic/Racial Code:**
- | | |
|---------------------|---------------------------|
| 1. White American | 4. Hispanic American |
| 2. African American | 5. Asian Pacific American |
| 3. Native American | 6. Hasidic Jew |
- Gender:**
- | | |
|---------|-----------|
| 1. Male | 2. Female |
|---------|-----------|

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
 CONTRACTOR'S CERTIFICATION
 CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS

To:	Date:
c/o:	Project Number (if any)
	Project Name:

1. The undersigned, having executed a contract with _____ for the construction of the above-identified project, acknowledges that:
 - (a) The Labor Standards provisions are included in the aforesaid contract;
 - (b) Correction of any infractions of the aforesaid conditions, including infractions by any of his subcontractors and any lower tier subcontractors, is his responsibility;
2. He certifies that:
 - (a) Neither he or any firm, partnership or association in which he has substantial interest is designated as an ineligible contractor by the Comptroller General of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor, Part 5 (29 CFR, Part 5) of pursuant to Section 3(a) of the Davis-Bacon Act, as amended (40 U.S.C. 276a-2(a)).
 - (b) No part of the aforementioned contract has been or will be subcontracted to any subcontractor if such subcontractor or any firm, corporation, partnership or association in which such subcontractor has a substantial interest is designated as an ineligible contractor pursuant to any of the aforementioned regulatory or statutory provision.
3. He agrees to obtain and forward to the aforementioned recipient within ten days after the execution of any subcontract, including those executed by his subcontractors and any lower tier subcontractor, a Subcontractor's Certification Concerning Labor Standards and Prevailing Wage requirement executed by the subcontractor.
4. He certifies that:
 - (a) The legal name and the business address of the undersigned are:

(b) The undersigned is:

(1) A SINGLE PROPRIETORSHIP	(3) A CORPORATION ORGANIZED IN THE STATE OF
(2) A PARTNERSHIP	(4) OTHER ORGANIZATION (<i>Describe</i>)

The name, title and address of the owner, partners or officers of the undersigned are:

NAME	TITLE	ADDRESS

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(d) The names and addresses of all other persons, both natural and corporate, having a substantial interest in the undersigned, and the nature of the interest are (if none, so state):

NAME	ADDRESS	NATURE OF INTEREST

(e) The names and addresses of all other persons, both natural and corporate, having a substantial interest in the undersigned, and the nature of the interest are (if none, so state):

NAME	ADDRESS	NATURE OF INTEREST

(Contractor)

Date: _____

By _____

WARNING

U.S. criminal code, Section 1010, Title 18, U.S.C., provides in part: "Whoever,....makes, passes, utter or publishes any statement, knowing the same to be false....shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

INTERNAL REVENUE SERVICE
EMPLOYER'S IDENTIFICATION

NUMBER _____

09156134

EQUAL EMPLOYMENT OPPORTUNITY
EMPLOYER INFORMATION REPORT EEO-1

CONTRACTOR: Provide Job Bill Generated Employment Data on this form and submit completed form to Grantee

- Equal Employment Opportunity Commission
- Office of Federal Compliance Program

Section A. Type of Report											
Refer to instructions for number & types of reports to be filed											
1. Indicate by marking appropriate box the type of reporting unit for which this copy of the form is submitted (MARK ONE BOX)											
1. <input type="checkbox"/> Single establishment employer report					Multi establishment employers:						
					2. <input type="checkbox"/> Consolidated Report (required)						
					3. <input type="checkbox"/> Headquarters Unit Report (required)						
					4. <input type="checkbox"/> Individual Establishment Report (submit one for each establishment with 60 or more employees)						
					5. <input type="checkbox"/> Special Report						
2. Total number of reports being filed by this company (Answer on Consolidated Report only) _____											
Section B – COMPANY IDENTIFICATION (To be answered by all employers)										OFFICE USE ONLY	
1. Parent Company											
a. Name of parent company (owns or controls establishment in item 2) omit if same as label										a.	
Name of receiving office					Address (Number and Street)						b.
City	County	State	Zip Code	b. Employer ID Number							
2. Establishment for which this report is filed. (Omit if same as label)											
a. Name of establishment										c.	
Address (Number and Street)				City	County	State	Zip Code				d.
b. Employer's Identification Number								If same as label, skip			
3. Parent company affiliation					Multi-establishment Employers Answer on Consolidated Report only						
a. Name of parent-affiliated company				b. Employer ID Number							
Address (Number and Street)				City	County	State	Zip Code				
Section C – EMPLOYERS WHO ARE REQUIRED TO FILE (To be answered by employers)											
<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Does the entire company have at least 100 employees in the payroll period you are reporting?									
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is your company affiliated through common ownership and/or centralized management with other entities in an enterprise with a total employment of 100 or more?									
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does the company or any of its establishments (a) have 50 or more employees AND (b) is not exempt as provided by 41 CFR 60-1.5 AND either (1) is a prime government contractor or first tier subcontractor, and has a contract, subcontract, or purchase order amounting to \$50,000 or more, or (2) serves as a depository of Government funds in any amount or is a financial institution which is an issuing and paying agent for U.S. Savings Bonds and Saving Notes.									
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does the company receive finance assurance from the Small Business Administration (SBA)?									
Note: If the answer is yes to ANY of these questions, complete the entire form, otherwise skip to section G.											

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Report all permanent full time or part time employees including apprentices & or trainee unless specifically Excluded as set forth in the instructions. Enter the appropriate figure on all lines & in columns. Blank spaces will be considered as zeros.

Job Categories	Overall Totals-sum of Col, 1-10	Number of Employees												
		MALE					FEMALE							
		White not of Hispanic Origin (1)	Black not of Hispanic Origin (2)	Hispanic (3)	Asian Pacific Islander (4)	American Indian or Alaskan (5)	White not of Hispanic Origin (1)	Black not of Hispanic Origin (2)	Hispanic (3)	Asian Pacific Islander (4)	American Indian or Alaskan (5)			
1. Officers & Managers														
2. Professionals														
3. Technicians														
4. Sales workers														
5. Office & clerical														
6. Craft workers (skilled)														
7. Operatives (semi-skilled)														
8. Laborers - (unskilled)														
9. Service workers														
TOTAL:		Total reported on previous EEO-1 report												
Formal Trainees below should be included in the figure for the appropriate occupational category above.														
White Collar														
Production														

Note: Omit questions 1 & 2 on the Consolidated report.

1. Date(s) of payroll period used _____ 2. Does this company employ apprentices: yes No

Section E. Establishment Information (Omit on the Consolidated Report)

1. Is the location of the company the same as that reported last year? yes No Did not report last year
2. Is the major business activity at this company the same as that reported last year? yes No Did not report last year
3. What is the major activity of this company? (be specific)

Section F. Remarks

Use this space to give any identification data appearing on the last report which differs from that given above explain changes in computations or reporting units & other pertinent information.

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Section G. Certification

Check One:

- All reports are accurate & were prepared in accordance with the instructions (check consolidate report)
- This report is accurate & was prepared in accordance with the instructions.

Who can be contacted regarding this report (type or print)

Name: _____

Title: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Phone #: () _____

Certifying Officer: _____

(Print name)

(Title)

Signature of Certifying Officer

Date: _____

09156134

U.S. Department of Labor
Employment Standards Administration, OFCCP

Monthly Employment Utilization Report

This report is required by Executive Order 11246, Sec. 203. Failure to report can result in contracts being canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for Government contracts of federally assisted construction contracts.

1. Covered Area
(SMSA or EA)

2. Emp

OMB No. 1215-0163
Expires: 06-30-89

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3. Current Goals Minority _____ Female _____		4. Reporting Period From _____ To _____		Name and Location of Contractor								Federal Funding Agency							
5. Construction Trade	Classifications	6. Work Hours of Employment (Federal & Non-Federal)										9. Total Number of Employees		10. Total Number of Minority Employees					
		6a. Total All Employees By Trade		6b. Black Not Of Hispanic Origin		6c. Hispanic		6d. Asian or Pacific Islander		6e. American Indian or Alaskan Native						7. Minority Percentage	8. Female Percentage	M	F
	Journey Worker																		
	Apprentice																		
	Trainee																		
	SubTotal																		
	Journey Worker																		
	Apprentice																		
	Trainee																		
	SubTotal																		
	Journey Worker																		
	Apprentice																		
	Trainee																		
	SubTotal																		
	Journey Worker																		
	Apprentice																		
	Trainee																		
	SubTotal																		
	Journey Worker																		
	Apprentice																		
	Trainee																		
	SubTotal																		
Total Journey Worker																			
Total Apprentice																			
Total Trainee																			
Grand Total																			
11. Company's Official Signature and Title								12. Telephone Number ()				13. Date Signed: / /99				Page of			

AUTHORIZATION OF PAYROLL AGENT

Project name _____
(agency's name)

This letter certifies that _____, is authorized
(Print name of designated payroll officer)

by _____, _____ to
(Legal name of construction company) (Federal Tax ID Number)

complete & execute all payroll forms (#WH347) for the aforementioned project.

Authorization approved by:

(Must be signature of Company President/Owner)

Date: _____

(Signature of Designated Payroll Officer)

09156134

Statement of Compliance

Date: _____

I, _____ do hereby state:

(Name of signatory party) (Title)
(1) That I pay to supervise the payments of the persons employed by

_____ on the _____
(Contractor or Subcontractor) (Building or work)
that during the payroll period commencing on the _____ day of _____,
19____ and ending the _____ day of _____, 19____, all persons employed on said
project have been paid the weekly wages earned, that no rebates have been of will be made either directly or
indirectly from the full wages earned by any person, other than permissible deductions as defined in
Regulations. Part 3 (29 CFP Subtitle A). Issued by the Secretary of Labor under the Copeland Act, as
amended (48 Stat. 948.63 Stat 976:76 Stat 357:40 U.S.C. 276c). and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete: that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporate into the contract: that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau on Apprenticeship Training. United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENIFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

_____ In addition to the basic hour wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4 (c) below.

(b) WHERE FRINGE BENIFITS ARE PAID IN CASH

_____ Each laborer or mechanic listed in the above referenced payroll has been paid as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

Remarks

Name and Title

THE WILFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF THE UNITED STATES CODE.

09156134

INSTRUCTION FOR PREPARATION OF CERTIFIED PAYROLL FORM (HUD-347)

This form needs to be submitted to the funding department on a weekly basis. You may want to make copies of this form so that you have a supply of forms to last for the duration of your project.

The applicant acknowledges that the information provided on this form may be disclosed to the public in response to a request made to the City of Chicago, including requests under the Freedom of Information Act. This applicant waives and releases any rights or claims it may have against the City in connection with the City's release of such information.

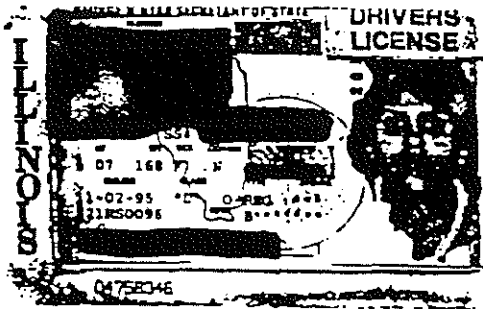
- A) Contractor or Subcontractor: Provide the complete legal name of the applicable business.
 - B) Address: Provide the complete address of the contractor or subcontractor, including city, state, and zip code.
 - C) Payroll Number: Provide the correct payroll number according to the progress of the work contracted from the initial week to the final week, with respect to the corresponding contractor or subcontractor.
 - D) For Week Ending: Indicate the ending date of the payroll week (month, day, year).
 - E) Project and Location: Provide the complete project name and project address(es).
 - F) Name, Address and Social Security of Employee: Provide the complete legal name, address (city, state, zip code) and social security number of each employee.
 - G) Date of Hire: Provide each employee's effective date of hire (month, day, year).
 - H) Identified Section 3 Resident: Confirm that specific employees are section 3 residents to be counted toward your numeric hiring goals.
 - I) Section 3 Affidavit for Attached for a new hire: Attach a copy of the section 3 resident's affidavit as proof of employee's status. Keep the original(s) on file pursuant to funding department site visits.
 - J) Address Documentation Attached for a New Hire: Attach a copy of the section 3 residents's affidavit as proof of employee's place of residence.
 - K) Gender (optional): Indicate the gender of the employees as "M" (Male) or "F" (Female) on the form.
 - L) Racial Group: Indicate the identified racial or ethnic group of which each employee is a member, according to the code provided.
 - M) Work Classifications: Provide the correct work classification for each employee. For apprentices indicate "apprentice" and the corresponding level of apprenticeship achieved.
- NOTE: U.S. Department of Labor Apprenticeship Certification is to be submitted for each apprentice on the job site.**

09156134

CITY RESIDENCY REQUIREMENT

Contractor (including subcontractors) must submit copy of a valid drivers license or state ID for any and all "City" residents the first time their name appears on a payroll.

THAT'S A FACT



RULES OF THE ROAD

The state requires drivers to report name or address changes within 10 days to any driver services facility or by mail to the Driver Services Department, Attention: Address change, 2701 S. Dirksen Pkwy., Springfield, Ill., 62723-0001. Identification that links your new information with your old is required.



NOTE: No other form of identification will be accepted

09156134

STATUTORY PROVISIONS

CONTRACTORS: Please read the following Labor Standards and provisions:

- a. Davis-Bacon Act (40 U.S.C. 276a - 276a-5). The Davis-Bacon Act (DBA) provides that contracts in excess of \$2,000 to which the United States is party for the construction, alteration and/or repair, including painting and decorating, of public buildings or public works, which involve the employment of laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without rebate or deductions withholding funds from contractors to ensure compliance with the wage provisions, and termination of the contract or debasement for failure to adhere to the required provisions.
- b. Contract Work Hours and Safety Standards Act (40 U.S.C. 327 - 333). This Act (CWHSSA) applies to both Federal contracts and indirect Federally-assisted contracts except where the assistance is solely in the nature of a loan guarantee or insurance (See Paragraph 8-2). CWHSSA also applies to maintenance laborers and mechanics employed by public housing authorities. CWHSSA provides that work in excess of 40 hours per week shall be compensated for at rates not less than one and one-half times the basic rate of pay. The Act mandates that all contracts requiring the employment of laborers and mechanics (and watchmen and guards) in the performance of work in connection with such projects contain implementing provisions which will render the contractor and any subcontractor responsible for violation liable to the affected employees for their unpaid wages and to the United States for liquidated damages. The Act establishes an appeals procedure and makes intentional violations of the Act a Federal criminal misdemeanor.
- c. Copeland Act (Anti-Kickback Act) (40 U.S.C. 276c). The Copeland Act makes it a criminal offense for any person to induce, by any manner whatsoever, any person employed in the construction, prosecution, completion, or repair of any public building or work financed in whole or in part by loans or grants from the United States to give up any part of the compensation to which he is entitled under his contract of employment. The Act also provided for the submission of weekly statements of compliance and weekly payroll by all contractors.
- d. Executive Order 11246. Provides that Federal contractors or Federally assisted contractors shall not discriminate on the basis of race, color, religion, sex or national origin.

09156134



ILLINOIS DEPARTMENT OF LABOR

George H. Ryan
Governor

Robert M. Healey
Director

Director of Monitoring Services
Dept. of Planning and Development
City of Chicago
20 N. Clark, Suite 2800
Chicago, IL 60602

Dear Director:

Pursuant to your request for prevailing wage rates for the County(ies) of Cook are enclosed for your information and use. IF YOU HAVE ACCESS TO THE INTERNET, PLEASE BE ADVISED THAT THE DEPARTMENT OF LABOR HAS A WEB SITE AT [HTTP://WWW.STATE.IL.US/AGENCY/IDOL](http://www.state.il.us/agency/idol). SELECT RULES AND RATES, SELECT PREVAILING WAGE, SELECT SAVE FILE. AFTER EXITING, UNZIP FILE. IF YOU PRINT THE INFORMATION YOU WILL HAVE TO PRINT LANDSCAPE STYLE AND/OR CHANGE THE FONT TO PREVENT THE INFORMATION FROM WRAPPING AROUND.

STATE OF ILLINOIS)
DEPARTMENT OF LABOR)
CONCILIATION AND MEDIATION DIVISION)

CERTIFICATE

I, Robert M. Healey, Director, Division of Conciliation and Mediation, Illinois Department of Labor, do hereby certify that I am the keeper of the records and files of said office and that the attached is a true and complete copy of the prevailing rate of wages determined by this Department for the aforesaid county or counties.

Robert M. Healey
Robert M. Healey
Director

STATE OF ILLINOIS BUILDING
160 NORTH LA SALLE - SUITE C-130C
CHICAGO, ILLINOIS 60601-3150
(312) 793-2800
Fax:(312)793-5257

ONE WEST OLD STATE CAPITOL PLAZA, ROOM 300
SPRINGFIELD, ILLINOIS 62701
(217) 782-6206
Fax:(217)782-0396

2309 WEST MAIN STREET - SUITE
MARION, ILLINOIS 62959
(618) 993-7090
Fax: (618) 993-7258

09156134

IL. DEPT. OF LABOR PREVAILING WAGES FOR COOK COUNTY EFFECTIVE 06/01/1999
 DIVISION of CONCILIATION & MEDIATION PH(618-993-7271)

NAME OF TRADE	RGN	TYP	C L S	HOURLY-RATES		OVERTIME-RATES			HRLY-FRINGS-RATES		
				BASIC	FORMN	M-F>8	SAT	SU&HO	WLFR	PENSN	VACT
ASBESTOS ABT-GEN		ALL		24.350	24.850	1.5	1.5	2.0	3.270	2.050	0.00
ASBESTOS ABT-MEC		BLD		23.300	24.800	1.5	1.5	2.0	3.640	5.520	0.00
BOILERMAKER		BLD		29.570	31.410	2.0	2.0	2.0	3.200	4.140	0.00
BRICK MASON		BLD		27.480	28.480	1.5	1.5	2.0	4.280	3.750	0.00
CARPENTER		ALL		26.950	28.450	1.5	1.5	2.0	4.460	2.250	0.00
CEMENT MASON		ALL		26.000	26.750	2.0	1.5	2.0	4.450	2.550	0.00
ELECTRIC PWR EQMT OP		ALL		27.950	30.750	1.5	1.5	2.0	3.470	3.770	2.26
ELECTRIC PWR GRNDMAN		ALL		21.800	30.750	1.5	1.5	2.0	2.700	2.940	1.77
ELECTRIC PWR LINEMAN		ALL		27.950	30.750	1.5	1.5	2.0	3.470	3.770	2.26
ELEVATOR CONSTRUCTOR		BLD		30.010	33.760	2.0	2.0	2.0	3.845	2.190	1.80
FENCE ERECTOR		ALL		18.910	19.910	1.5	1.5	2.0	4.100	5.170	0.00
GLAZIER		BLD		24.500	25.500	1.5	2.0	2.0	3.780	4.910	0.00
HT/FROST INSULATOR		BLD		26.400	27.900	1.5	1.5	2.0	4.510	6.450	0.00
IRON WORKER		ALL		27.850	29.350	2.0	2.0	2.0	5.060	8.740	0.00
LABORER		ALL		24.350	24.850	1.5	1.5	2.0	3.320	2.210	0.00
LATHER		BLD		25.450	26.450	1.5	1.5	2.0	4.460	2.250	0.00
MACHINIST		BLD		27.200	28.950	2.0	2.0	2.0	3.100	1.700	1.88
MARBLE MASON		BLD		24.060	25.180	1.5	1.5	2.0	3.580	3.470	0.00
MILLWRIGHT		ALL		25.450	26.450	1.5	1.5	2.0	4.460	2.250	0.00
OPERATING ENGINEER		ALL	1	32.600		1.5	1.5	2.0	4.300	3.350	1.40
OPERATING ENGINEER		BLD	1	29.600	30.350	2.0	2.0	2.0	4.600	3.550	1.45
OPERATING ENGINEER		BLD	2	28.300	30.350	2.0	2.0	2.0	4.600	3.550	1.45
OPERATING ENGINEER		BLD	3	25.900	30.350	2.0	2.0	2.0	4.600	3.550	1.45
OPERATING ENGINEER		BLD	4	24.150	30.350	2.0	2.0	2.0	4.600	3.550	1.45
OPERATING ENGINEER		FLT	2	31.100		1.5	1.5	2.0	4.300	3.350	1.40
OPERATING ENGINEER		FLT	3	27.700		1.5	1.5	2.0	4.300	3.350	1.40
OPERATING ENGINEER		FLT	4	23.050		1.5	1.5	2.0	4.300	3.350	1.40
OPERATING ENGINEER		HWY	1	27.800	28.300	1.5	1.5	2.0	4.600	3.550	1.45
OPERATING ENGINEER		HWY	2	27.250	28.300	1.5	1.5	2.0	4.600	3.550	1.45
OPERATING ENGINEER		HWY	3	25.350	28.300	1.5	1.5	2.0	4.600	3.550	1.45
OPERATING ENGINEER		HWY	4	23.950	28.300	1.5	1.5	2.0	4.600	3.550	1.45
OPERATING ENGINEER		HWY	5	22.750	28.300	1.5	1.5	2.0	4.600	3.550	1.45
JRNAMNTL IRON WORKER		ALL		24.430	25.430	2.0	2.0	2.0	4.100	7.120	0.00
PAINTER		ALL		25.600	28.800	1.5	1.5	1.5	3.700	3.500	0.00
PAINTER SIGNS		BLD		20.920	23.540	1.5	1.5	1.5	2.720	1.350	0.00
PILEDRIIVER		ALL		25.450	26.450	1.5	1.5	2.0	4.460	2.250	0.00
PIPEFITTER		BLD		30.700	32.700	1.5	1.5	2.0	3.850	2.750	0.00
PLASTERER		BLD		26.600	27.600	1.5	1.5	2.0	3.500	2.000	0.00
PLUMBER		BLD		29.650	31.150	1.5	1.5	2.0	4.250	2.690	0.00
ROOFER		BLD		27.050	29.050	1.5	1.5	2.0	3.200	2.000	0.00
SHEETMETAL WORKER		BLD		26.490	28.610	1.5	1.5	2.0	4.060	5.060	0.00
SIGN HANGER		BLD		19.950	20.800	1.5	1.5	2.0	3.530	1.750	0.00
SPRINKLER FITTER		BLD		29.470	30.970	2.0	2.0	2.0	4.000	4.550	0.00
STEEL ERECTOR		ALL		27.850	29.350	2.0	2.0	2.0	5.060	8.740	0.00
STONE MASON		BLD		27.480	28.480	1.5	1.5	2.0	4.280	3.750	0.00
TELECOM WORKER		BLD		23.800	25.300	1.5	1.5	2.0	2.910	4.320	2.20
TERRAZZO MASON		BLD		25.180	26.680	2.0	1.5	2.0	4.150	4.300	0.00
TILE MASON		BLD		26.500	28.000	2.0	1.5	2.0	3.240	3.950	0.00
TRAFFIC SAFETY WRKR		HWY		17.650		1.5	1.5	1.5	2.100	0.450	0.00
TRUCK DRIVER		ALL	1	22.100	22.750	1.5	1.5	2.0	4.000	2.600	0.00
TRUCK DRIVER		E	2	22.350	22.750	1.5	1.5	2.0	4.000	2.600	0.00
TRUCK DRIVER		E	3	22.550	22.750	1.5	1.5	2.0	4.000	2.600	0.00
TRUCK DRIVER		E	4	22.750	22.750	1.5	1.5	2.0	4.000	2.600	0.00
TRUCK DRIVER		W	1	23.050	23.600	1.5	1.5	2.0	3.825	2.325	0.00
TRUCK DRIVER		W	2	23.200	23.600	1.5	1.5	2.0	3.825	2.325	0.00
TRUCK DRIVER		W	3	23.400	23.600	1.5	1.5	2.0	3.825	2.325	0.00
TRUCK DRIVER		W	4	23.600	23.600	1.5	1.5	2.0	3.825	2.325	0.00
TUCKPOINTER		BLD		26.350	27.350	1.5	1.5	2.0	3.660	3.750	0.00

*** PLEASE SEE ATTACHED FOR OVERTIME SPECIFICATIONS NOT LISTED.

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COOK COUNTY

TRUCK DRIVERS (WEST) - That part of the county West of Barrington Road.

The following list is considered as those days for which holiday rates of wages for work performed apply: New Years Day, Memorial/Decoration Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day. Generally, any of the days which fall on a Sunday is celebrated on the following Monday. This then makes work performed on that Monday payable at the appropriate overtime rate for holiday pay. Common practice in a given local may alter certain days of celebration such as the day after Thanksgiving for Veterans Day. If in doubt, please check with IDOL.

EXPLANATION OF CLASSES

ASBESTOS - GENERAL - removal of asbestos material from any place in a building, including mechanical systems where those mechanical systems are to be removed. This includes the removal of asbestos materials from ductwork or pipes in a building when the building is to be demolished at the time or at some close future date.

ASBESTOS - MECHANICAL - removal of asbestos material from mechanical systems, such as pipes, ducts, and boilers, where the mechanical systems are to remain.

TRAFFIC SAFETY - work associated with barricades, horses and drums used to reduce lane usage on highway work, the installation and removal of temporary lane markings, and the installation and removal of temporary road signs.

TRUCK DRIVER - BUILDING, HEAVY AND HIGHWAY CONSTRUCTION - EAST & WEST

Class 1. Two or three Axle Trucks. A-frame Truck when used for transportation purposes; Air Compressors and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry-alls; FC Lifts and Hoistars; Helicopters; Mechanics Helpers and Greasers; Oil Distributors 2-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Power Mower Tractors; Self-propelled Chip Spreader; Skipman; Slurry Trucks, 2-man operation; Slurry Truck Conveyor Operation, 2 or 3 man Tractors; Unskilled dumpman; and Truck Drivers hauling warning lights, barricades, and portable toilets on the job site.

Class 2. Four axle trucks; Dump Crats and Adgetors under 7 yards; Dumpsters, Track Trucks, Euclids, Bug Bottom Dump Turnpulls; Turnpulls when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator, and Winch Trucks, 2 Axles.

Class 3. Five axle trucks; Dump Crats and Adgetors 7 yards and over; Dumpsters, Track Trucks, Euclids, Bug Bottom Dump Turnpulls; Turnpulls when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, 1-man operation; Pole Trailer, over 40 feet; Pole or Expandable Trailers hauling material over 50 feet long; Slurry trucks, 1-man operation; Winch trucks, 3 axles or more; Mechanic-Truck Welder and Truck Painter.

Class 4. Six axle trucks; Dual-purpose vehicles, such as mounted crane trucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front.

OPERATING ENGINEERS - BUILDING

Class 1. Mechanic; Asphalt Plant; Asphalt Spreader; Autograde; Backhoes with Caisson attachment; Batch Plant; Banoto; Boiler and Thrott. Valve; Caisson Rigs; Central Read-Mix Plant; Combination Back Hoe Front End-loader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted); Concrete Conveyor; Concrete Paver; Concrete Placer; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes, All; Cranes, Hammerhead; Cranes, (CCI and similar Type); Creter Crane; Crusher, Stone, etc.; Derricks, All; Derricks, Traveling; Formless Curb and Gutter Machine; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2-1/4 yd. and over; Hoist; Elevators, outside type rack and pinion and similar machines; Hoists, one, two and three Drum; Hoists, Two Tugger One Floor; Hydraul. Backhoes; Hydraulic Boom Trucks; Hydro Vac (and similar equipment); Locomotives, All; Motor Patrol; Pile Drivers and Skid Rig; Post Ho. Digger; Pre-Stress Machine; Pump Cretes Dual Ram; Pump Cretes; Squeezes Cretes-screw Type Pumps; Raised and Blind Hole Drill; Roto Ml. Grinder; Scoops - Tractor Drawn; Slip-form Paver; Straddle Buggies; Tournapull; Tractor with Boom and Side Boom; Trenching Machines.

Class 2. Bobcat (over 1/4 cu. yd.); Boilers; Brick Forklift; Broom, All Power Propelled; Bulldozers; Concrete Mixer (Two Bag and Over Conveyor), Portable; Forklift Trucks; Greaser Engineer; Highlift Shovels or Front Endloaders under 2-1/4 yd.; Hoists, Automatic; Hoists, Inside Freight Elevators; Hoists, Sewer Dragging Machine; Hoists, Tugger Single Drum; Layer Screed; Rock Drill (self-propelled); Rock Drill (truck mounted); Rollers, All; Steam Generators; Tractors, All; Tractor Drawn Vibratory Roller; Winch Trucks with "A" Frame.

Class 3. Air Compressor; Combination - Small Equipment Operator; Generators; Heaters, Mechanical; Hoists, Inside Elevators - (Rheostat Manu. Controlled); Hydraulic Power Units (Pile Driving, Extracting, and Drilling); Pumps, over 1" (1 to 3 net to exceed a total of 300 ft.); Pump; Wall Points; Welding Machines (2 through 5); Winches, 4 small Electric Drill Winches; Bobcat (up to and including 3/4 cu. yd.).

Class 4. Bobcats and/or other Skid Steer Loaders; Oilers; and Brick Forklift.

OPERATING ENGINEERS - FLOATING

Class 1. Craft foreman (Master Mechanic), diver/wet tender, engineer (hydraulic dredge).

Class 2. Crane/backhoe operator, mechanic/welder, assistant engineer (hydraulic dredge), leverman (hydraulic dredge), and diver tender

Class 3. Deck equipment operator (machineryman), maintenance of crane (over 50 ton capacity) or backhoe (96,000 pounds or more), tug/launch operator, loader, dozer and like equipment on barge, breakwater wall, slip/dock or scow, deck machinery, etc.

Class 4. Deck equipment operator (machineryman/fireman), (4 equipment units or more) and crane maintenance 50 ton capacity and under backhoe weighing 96,000 pounds or less, assistant tug operator.

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LETTER OF UNDERSTANDING

Project name: _____

This letter signifies that the proper official(s) of:

(Subcontractor's Name)

(I.D. Number)

(Street Address)

(City, State and Zip Code)

have read and understand the ^{Summary} Pre-construction Booklet and Labor Standards Provisions and Related Matters.

By: _____
(Signature)

(Title)

(Date)

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EXHIBIT C

INSURANCE REQUIREMENTS

Mentor Building, L.L.C. (an Illinois Limited Liability Company), its members, including without limitations, managing members, member, managers, and their respective directors, agents, employees and partners, if any, and Joseph J. Freed and Associates, Inc., and its partners, officers, directors, agents and employees and any successor of any of the foregoing and Centrum-Mentor, L.P., its partners, limited partners, agents, directors, managers and employees, the IRA of Ronald Chez and its beneficiaries, owners, and agents, and affiliates.

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EXHIBIT D

CERTIFICATE OF INSURANCE FROM CONTRACTOR

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EXHIBIT E - CONTRACT SUM

General Conditions	\$663,290
Sitework	\$90,000
Concrete	\$25,350
Masonry - Historic Facade Repair	\$908,895
Metals	\$323,093
Woods & Plastics	\$325,950
Thermal & Moisture Protection	\$94,750
Doors, Windows & Hardware	\$1,069,650
Finishes	\$1,080,856
Specialties	\$57,112
Equipment	\$104,000
Furnishings	\$16,500
Elevators	\$673,580
Mechanical Systems	\$1,313,270
Electrical Systems	<u>\$720,900</u>
Sub-Total :	\$7,467,196
Hard Cost Contingency at	<u>\$298,688</u>
SUB-TOTAL :	\$7,765,884
General Liability Insurance	\$27,050
General Contractor Fee at	<u>\$261,352</u>
TOTAL :	\$8,054,286

CONTRACTOR AND OWNER AGREE THAT FOR ANY OVERALL SAVINGS OF THE SUB-TOTAL AMOUNT ABOVE, CONTRACTOR AND OWNER WILL BOTH SHARE IN THE SAVINGS IN THE AMOUNT OF 40% OF THE SAVINGS AMOUNT TO THE CONTRACTOR AND 60% OF THE SAVINGS AMOUNT TO THE OWNER. "SAVINGS AMOUNT" IS DEFINED AS THE DIFFERENCE IN ACTUAL HARD COSTS (excluding condominium upgrades) LESS THE SUB-TOTAL AMOUNT LIST ABOVE.

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EXHIBIT F

CONSTRUCTION SCHEDULE

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EXHIBIT F

[Not Applicable]

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EXHIBIT G

Permitted Liens

1. Mortgage, Assignment of Rents and Security Agreement dated December 13 1999 by Wells Fargo Bank, National Association to Mentor Building, L.L.C. recorded December __, 1999 as Document No. _____ with the Cook County Recorder of Deeds.
① 09156134
2. UCC-2 Financing Statement between Mentor Building, L.L.C., as debtor, and Wells Fargo Bank, National Association, as secured party, recorded December __, 1999 as Document No. _____ with the Cook County Recorder of Deeds.
3. Subordination Agreement dated as of December __, 1999 by and between the City of Chicago and Wells Fargo Bank, National Association recorded December 13, 1999 as Document No. _____ with the Cook County Recorder of Deeds.
② 09156136
4. Lease dated April 19, 1999 between Mentor Building, L.L.C. and the Children's Place.

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EXHIBIT H-1
PROJECT BUDGET

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EXHIBIT H-1 : PROJECT BUDGET

USES

ACQUISITION \$1,416,790

HARD COSTS

General Conditions	\$663,290	
Sitework	\$90,000	
Concrete	\$25,350	
Masonry - Historic Facade Repair	\$908,895	
Metals	\$323,093	
Woods & Plastics	\$325,950	
Thermal & Moisture Protection	\$94,750	
Doors, Windows & Hardware	\$1,069,650	
Finishes	\$1,080,856	
Specialties	\$57,112	
Equipment	\$104,000	
Furnishings	\$16,500	
Elevators	\$673,580	
Mechanical Systems	\$1,313,270	
Electrical Systems	<u>\$720,900</u>	
Sub-Total :	\$7,467,196	
Hard Cost Contingency at	<u>\$298,688</u>	
SUB-TOTAL :	\$7,765,884	
General Liability Insurance	\$27,050	
General Contractor Fee at	<u>\$261,352</u>	
TOTAL :		\$8,054,286

SOFT COSTS \$2,028,924

TOTAL BUDGET : **\$11,500,000**

SOURCES

Initial Equity	\$500,000
Equity - Retail Refinance	\$1,900,000
Construction Loan	\$4,779,417
Net Sales Proceeds	\$1,820,583
City TIF Assistance	<u>\$2,500,000</u>
Total :	\$11,500,000

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EXHIBIT H-2

MBE/WBE BUDGET

Sitework	\$ 319,000
Metals; Woods & Plastics	\$ 480,200
Equipment	\$ 128,000
Thermal & Moisture Protection	\$ 87,000
Doors, Windows & Hardware	\$ 765,000
Finishes	\$ 928,000
Specialities	\$ 57,200
Elevators	\$ 486,000
Mechanical Systems	\$ 945,440
Electrical Systems	\$ 547,500
Architecture/Engineering	\$ 300,000
TOTAL MBE/WBE BUDGET	\$5,043,340

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EXHIBIT I

APPROVED PRIOR EXPENDITURES

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EXHIBIT I : APPROVED PRIOR EXPENDITURES

Soft Costs

Loan Fees	\$16,250	
Interest Expense	\$100,000	
Real Estate Taxes	\$38,378	
Legal	\$63,372	
Other Professionals	\$32,900	
Marketing	\$20,736	
Sales Center	\$1,600	
Administration	\$9,370	
Permit Fees	\$1,424	
Insurance	\$24,269	
Survey	\$3,500	
Sub-Total :		\$311,799

Hard Costs

Environmental	\$46,465	
Demolition	\$226,767	
Architectural & Engineering	\$183,513	
Concrete	\$6,630	
Tuckpointing & Cleaning	\$410,737	
Terra Cotta	\$16,415	
Structural Steel	\$27,000	
Fire Proofing	\$6,300	
Metal Doors & Frames	\$12,834	
Store Front & Glazing	\$87,480	
Gypsum Wallboard	\$62,100	
Elevators	\$137,000	
Plumbing	\$42,660	
HVAC	\$44,940	
Electrical	\$38,250	
Temporay Electric	\$16,325	
Misc. Plumbing	\$1,936	
Barricades	\$15,485	
Hoist	\$73,682	
Hoist Operator	\$19,315	
Misc. Material	\$9,822	
General Conditions	\$131,785	
Demolition	\$29,540	
Sub-Total :		\$1,646,981

TOTAL : **\$1,958,780**

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EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on the Developer's Counsel's letterhead]

_____, 199_

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Mentor Building, L.L.C., an Illinois limited liability company, (the "Developer") ["Developer Party"], in connection with the purchase of certain land and the construction of certain facilities thereon located in the Central Loop Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Central Loop Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer ["Developer Party"] and the City of Chicago (the "City"); and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer [Developer Party]) the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Developer [Developer Party] is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois and has full power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such

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execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Developer Party's] Articles of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer [Developer Party] is a party or by which the Developer or its properties is bound.

2. Each of the Documents to which the Developer [Developer Party] is a party has been duly executed and delivered by a duly authorized officer of the Developer [Developer Party], and each such Document constitutes the legal, valid and binding obligation of the Developer [Developer Party], enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

3. No judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the [Developer Party] or affecting the Developer [Developer Party] or its property, or seeking to restrain or enjoin the performance by the Developer [Developer Party] of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer [Developer Party] is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer [Developer Party] or its business.

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By: _____

Name: _____

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EXHIBIT K

REQUISITION FORM

State of Illinois)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of Mentor Building, L.L.C., an Illinois limited liability company (the "Developer"), being duly sworn on oath deposes and says that the Developer is the owner of the Property as defined in that certain Central Loop Redevelopment Agreement between the Developer and the City of Chicago dated _____, 1999 (the "Agreement") and that:

A. This paragraph A sets forth and is a true and complete statement of all expenditures for the Project to date:

[Description]	\$ _____
Total	\$ _____

B. The work paid for by the expenditures described in paragraph A has been completed.

C. This paragraph C sets forth and is a true and complete statement of the aggregate amount paid by the City to the Developer to date for costs of TIF-Funded Improvements for the Project:

\$ _____

D. The Developer requests reimbursement for the following Cost of TIF-Funded Improvements:

\$ _____

E. None of the costs referenced in paragraph D above have been previously reimbursed by the City.

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F. Attached are the following document: a report for the year ended _____, 199__ detailing compliance with Section 10.03 of the _____ Agreement.

G. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein.

2. 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.

3. 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.

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EXHIBIT L

MENTOR BUILDING 39 SOUTH STATE STREET Description of Rehabilitation Work

General:

The Mentor Building is listed on the National Register of Historic Places as part of the Loop Retail Historic District. Constructed in 1906, the Mentor Building is a seventeen-story early "skyscraper" designed by architect Howard Van Doren Shaw. For the purposes of the Agreement, the significant architectural features of the Mentor Building subject to design review shall be all exterior elevations, including the roof line.

All work to the Building shall be completed in accordance with the Agreement and the following approved drawings and materials:

- Exterior Scope of Work (the "Approved Exterior Scope"), dated June 23, 1999, prepared by the Developer, and including additional materials submitted on August 3, 1999, regarding the masonry and the cornice and August 18, 1999, regarding the paint color analysis for the windows; but except as pertaining to material samples, paint colors and finishes, shop drawings, specifications, mock-ups, and control samples, as applicable.
- Scope Drawings and Plans, dated August 18, 1999, prepared by De Stefano + Partners, architects, except that the north-facing balconies shall conform to the revised balcony details submitted September 14, 1999.
- Bid set of drawings for the ground-floor storefront and second floor (the "Storefront Bid Set"), dated June 4, 1999, prepared by De Stefano + Partners, architects, except as pertaining to interior tenant improvements, display windows, signs, banners and awnings.

All work to the Building not addressed by the above drawings and materials shall be completed in accordance with the following:

- *The Secretary of the Interior's Standards for Rehabilitation of Historic Buildings* (rev. 1990, and as amended) (the "Standards"). The State and Monroe street elevations and any finished returns on the alley (east) elevation shall be considered "primary elevations" for the purposes of the Standards.
- Exterior conditions report for the Mentor Building (the "Conditions Report"), dated September 18, 1997, prepared by Central Building & Preservation, L.P.
- Any historical photographs, architectural drawings, and other available archival documentation of the building, investigated and assembled by the Developer as applicable.
- *Vision for Greater State Street: Next Steps* (the "State Street Plan"), adopted by the Chicago Plan Commission in 1998.
- *Chicago Downtown Lighting Master Plan* (the "Lighting Plan"), prepared in 1997.

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Prior Approval:

All exterior work and any interior work which impacts the exterior appearance of the Building, including the Required Rehabilitation Work described in this Exhibit, shall be subject to the prior review and approval of the City's Department of Planning and Development, Landmarks Division. If requested, Developer shall submit for review and approval material samples, paint colors and finishes, shop drawings, specifications, mock-ups, and control samples, as applicable.

Required Rehabilitation Work:

- **Masonry.** The Conditions Report identifies areas of masonry deterioration, missing features, and prior incompatible repairs, including: failures such as cracks at lintels, jambs, sills, corners and floors; missing features such as the three column capitals and second-floor belt course, and portions of the window lintels, sills and jambs; areas of shaling, spalling or parging; loose mortar or open mortar joints; failing backup anchoring systems such as corroded shelf angles and anchors; and prior incompatible repairs such as replacement brick patches and poured-concrete replacement pieces on the upper floors.

All brick and terra-cotta masonry shall be cleaned and repaired as part of the Project. As part of this work, all areas of masonry deterioration, missing features, and prior incompatible repairs shall be addressed as identified in the Approved Exterior Scope.

In addition, this work shall be in accordance with the following general guidelines: (a) where masonry is missing or beyond repair, replacement masonry shall match the original in accordance with the Standards, including the original material; (b) tuckpointing shall use mortar which matches the original in terms of color, consistency, hardness, and joint profile; and (c) cleaning shall use an appropriate and least-aggressive cleaning method, e.g., low-pressure water or mild chemical cleaning, after conducting test patches.

- **Cornice and Parapet.** The parapet shall be reconstructed and the cornice stabilized and repaired as recommended by the Approved Exterior Scope. Replacement of the missing terra-cotta overlying pieces of the cornice is not required.
- **Base (Floors 1 through 4).** The base of the building shall be restored. In general, this work shall repair extant original features, reverse prior inappropriate alterations and repairs, and replace missing features to the greatest extent possible. This work shall include: removal of the existing modern storefront and false-front covering the second story; installation of a new ground-floor storefront, second-floor windows (previously infilled and covered over), and second-floor belt course, based on historic precedent and as proposed in the Storefront Bid Set; and repair and cleaning of terra-cotta masonry, with replacement as necessary. All replacement masonry for the base of the building shall match the original in accordance with the Standards, including the original material, except that the new second-floor belt course may be constructed in an appropriate substitute material such as cast stone or GFRC.

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- **Windows.** Windows shall be repaired or replaced to match the originals in accordance with the Standards, except that new upper-story windows (floors 5 and above) need not be constructed of wood. A paint color analysis of the windows shall be provided to determine the historic color. All windows shall be of clear glass. Any new window openings on secondary elevations shall be subject to prior review and approval.
- ***Balconies.** Balconies shall be constructed in accordance with the Scope Drawings and Plans. Balconies should not be used as storage areas for bikes, equipment, garbage cans, etc.
- ***Signs, Awnings and Canopies.** All signs, awnings, and canopies shall meet the Standards and the State Street Plan. Traditional retractable-type awnings or similar shall be required for all ground-floor storefronts.
- ***Building Lighting.** Appropriately-designed accent lighting for the top of the building shall be provided in accordance with the Lighting Plan.
- **Ceiling Heights and Interior Demising Walls.** On floors 5 and above, any drops in the original heights of ceilings for mechanical equipment, etc., shall be set back from the windows at least 18-inches and shall not be readily visible from the street. On floors 1 through 4, any drops in the original heights of ceilings shall be set back from the windows to the greatest extent possible, but in no instance shall the setback be less than 30-inches for the Monroe Street display windows or 36-inches for all other windows. On all floors, new demising walls shall occur only at piers, or also window mullions if unavoidable.
- ***Storefront Widows and Window Displays.** Storefront windows on both the first- and second-story of the building shall be used for active window display areas, and in no instance shall these windows be blocked up, blacked out, or covered over. Enclosed or partially-enclosed display areas may be created behind these windows, except that some of the windows must also provide for views into the interior of the building (especially on the State Street elevation). Window displays shall be professionally installed, well designed, visually interesting, and changed regularly, such as set forth in a letter dated September 14, 1999, from the Tenant's representative, Alan Odell of The Children's Place, to Brian Goeken of the City's Department of Planning and Development, and a facsimile dated October 19, 1999, from Richard Hanagan of Forbes Shea, the Tenant's architects, to Adam Rod of the City's Department of Planning and Development..
- **Roof-top.** All new, non-habitable, roof-top appurtenances and mechanical equipment shall be set back as far as possible from the street elevations to minimize potential visibility from the public way. Roof-top decks and any future habitable roof-top additions shall not be visible from any public way.

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Covenant: The following covenant shall run with the land.

For the Term of the Agreement, all future exterior work including signs and any interior work which substantially impacts the exterior appearance of the Building shall be subject to the prior review and approval of the City's Department of Planning and Development,

Landmarks Division. All such work shall meet the relevant terms and conditions of this Exhibit. In addition, the Developer will ensure by its best efforts that the Facility and Retail Space are operated for the Term of the Agreement consistent with the performance requirements specified in this Exhibit and indicated by an asterisk (*) above.

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EXHIBIT L

MENTOR BUILDING 39 SOUTH STATE STREET Description of Rehabilitation Work

General:

The Mentor Building is listed on the National Register of Historic Places as part of the Loop Retail Historic District. Constructed in 1906, the Mentor Building is a seventeen-story early "skyscraper" designed by architect Howard Van Doren Shaw. For the purposes of the Agreement, the significant architectural features of the Mentor Building subject to design review shall be all exterior elevations, including the roof line.

All work to the Building shall be completed in accordance with the Agreement and the following approved drawings and materials:

- Exterior Scope of Work (the "Approved Exterior Scope"), dated June 23, 1999, prepared by the Developer, and including additional materials submitted on August 3, 1999, regarding the masonry and the cornice and August 18, 1999, regarding the paint color analysis for the windows; but except as pertaining to material samples, paint colors and finishes, shop drawings, specifications, mock-ups, and control samples, as applicable.
- Scope Drawings and Plans, dated August 18, 1999, prepared by De Stefano + Partners, architects, except that the north-facing balconies shall conform to the revised balcony details submitted September 14, 1999.
- Bid set of drawings for the ground-floor storefront and second floor (the "Storefront Bid Set"), dated June 4, 1999, prepared by De Stefano + Partners, architects, except as pertaining to interior tenant improvements, display windows, signs, banners and awnings.

All work to the Building not addressed by the above drawings and materials shall be completed in accordance with the following:

- *The Secretary of the Interior's Standards for Rehabilitation of Historic Buildings* (rev. 1990, and as amended) (the "Standards"). The State and Monroe street elevations and any finished returns on the alley (east) elevation shall be considered "primary elevations" for the purposes of the Standards.
- Exterior conditions report for the Mentor Building (the "Conditions Report"), dated September 18, 1997, prepared by Central Building & Preservation, L.P.
- Any historical photographs, architectural drawings, and other available archival documentation of the building, investigated and assembled by the Developer as applicable.
- *Vision for Greater State Street: Next Steps* (the "State Street Plan"), adopted by the Chicago Plan Commission in 1998.
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Required Rehabilitation Work:

- **Masonry.** The Conditions Report identifies areas of masonry deterioration, missing features, and prior incompatible repairs, including: failures such as cracks at lintels, jambs, sills, corners and floors; missing features such as the three column capitals and second-floor belt course, and portions of the window lintels, sills and jambs; areas of shaling, spalling or parging; loose mortar or open mortar joints; failing backup anchoring systems such as corroded shelf angles and anchors; and prior incompatible repairs such as replacement brick patches and poured-concrete replacement pieces on the upper floors.

All brick and terra-cotta masonry shall be cleaned and repaired as part of the Project. As part of this work, all areas of masonry deterioration, missing features, and prior incompatible repairs shall be addressed as identified in the Approved Exterior Scope.

In addition, this work shall be in accordance with the following general guidelines: (a) where masonry is missing or beyond repair, replacement masonry shall match the original in accordance with the Standards, including the original material; (b) tuckpointing shall use mortar which matches the original in terms of color, consistency, hardness, and joint profile; and (c) cleaning shall use an appropriate and least-aggressive cleaning method, e.g., low-pressure water or mild chemical cleaning, after conducting test patches.

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- ***Balconies.** Balconies shall be constructed in accordance with the Scope Drawings and Plans. Balconies should not be used as storage areas for bikes, equipment, garbage cans, etc.
- ***Signs, Awnings and Canopies.** All signs, awnings, and canopies shall meet the Standards and the State Street Plan. Traditional retractable-type awnings or similar shall be required for all ground-floor storefronts.
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- **Roof-top.** All new, non-habitable, roof-top appurtenances and mechanical equipment shall be set back as far as possible from the street elevations to minimize potential visibility from the public way. Roof-top decks and any future habitable roof-top additions shall not be visible from any public way.

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Landmarks Division. All such work shall meet the relevant terms and conditions of this Exhibit. In addition, the Developer will ensure by its best efforts that the Facility and Retail Space are operated for the Term of the Agreement consistent with the performance requirements specified in this Exhibit and indicated by an asterisk (*) above.

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EXHIBIT M

PROHIBITED USES

1. Funeral Home
2. Any production, manufacturing, or industrial use (as such terms are generally used and understood in commerce) of any kind or nature
3. Billiard room or pool hall, massage parlor, discotheque, dance hall, banquet hall, pornographic or "adult" bookstore, tattoo parlor
4. Any use which creates a nuisance or materially increases noise or emission of dust, odor, smoke gases or materially increases fire, explosion or radioactive hazards in the Facility
5. Flea Markets
6. Any use involving Hazardous Materials

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