

REPEAL OF PRIOR ORDINANCE WHICH AUTHORIZED REDEVELOPMENT
AGREEMENT WITH PLITT/ICE CHATHAM L.L.C., DESIGNATION
OF 210 WEST 87TH (CHICAGO) THC, L.L.C. AS
PROJECT DEVELOPER AND AUTHORIZATION
FOR EXECUTION OF REDEVELOPMENT
AGREEMENT FOR CONSTRUCTION
OF MOVIE THEATER AT 210
WEST 87TH STREET.

The Committee on Finance submitted the following report:

CHICAGO, February 6, 2008.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with 210 West 87th (Chicago) THC, L.L.C., having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Fioretti, Dowell, Preckwinkle, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on December 18, 1986 and published at pages 38084 to 38087 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of such date, a certain redevelopment plan and project (the "Chatham Ridge Plan and Project") for the Chatham Ridge Redevelopment Project Area (the "Chatham Ridge Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on December 18, 1986 and published at pages 38087 to 38088 of the *Journal* of such date, the Chatham Ridge Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on December 18, 1986 (the "Chatham Ridge T.I.F. Ordinance") and published at pages 38088 to 38090 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the Chatham Ridge Plan and Project (the "Chatham Ridge Redevelopment Project Costs") and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Chatham Ridge Area and tax rates be divided in accordance with the Act and as described in the Chatham Ridge T.I.F. Ordinance; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on May 20, 1998 and published at pages 68755 and 68757 to 68862 of the *Journal* of such date (the "1998 Authorizing Ordinance"), the City Council authorized the City to enter into a redevelopment agreement with Plitt/ICE Chatham, L.L.C., an Illinois limited liability company (the "Original Developer"), for the construction of an approximately sixty-three thousand two hundred fifty (63,250) square foot, fourteen (14) screen, approximately two thousand nine hundred thirty (2,930) seat capacity movie theater, with associated parking for approximately six hundred sixty-seven (667) cars (the "Project") located within the Chatham Ridge Area at 210 West 87th Street, Chicago, Illinois 60620 (the "Property"); and

WHEREAS, When the 1998 Authorizing Ordinance was adopted, Plitt Theatres, Inc. ("Plitt") and ICE Development, L.L.C. ("ICE") were the sole members of the Original Developer; and

WHEREAS, Plitt had prior to the adoption of the 1998 Authorizing Ordinance purchased the Property, the title to which was taken by LaSalle National Bank, N.A., as trustee under Trust Agreement dated May 8, 1997 and known as Trust Number 120994 ("LaSalle", with Plitt as the beneficiary); and

WHEREAS, Plitt caused LaSalle to enter into a ground lease (the "Ground Lease") of the Property with ICE, and ICE entered into an operating lease of the Property with Plitt (the "Operating Lease"); and

WHEREAS, The Original Developer commenced the Project on or about July 15, 1997 and completed it on or about May 1, 1998; and

WHEREAS, Prior to the execution of the redevelopment agreement authorized by the 1998 Authorizing Ordinance, Plitt was acquired by Loews Cineplex Entertainment Corporation ("Loews"), and Loews filed a Chapter 11 Bankruptcy on behalf of itself and Plitt on February 15, 2001 (the "Bankruptcy"); and

WHEREAS, As a result of the Bankruptcy, the Ground Lease and the Operating Lease were rejected by Plitt, and ICE took over management of the Property; and

WHEREAS, Plitt, LaSalle and ICE entered into a bankruptcy settlement agreement dated May 6, 2002 (the "Settlement Agreement"), which resulted in the transfer of the Property to ICE pursuant to a deed dated December 18, 2002 and recorded May 6, 2003 with the Recorder of Deeds of Cook County Illinois as Document Number 03-12641092; and

WHEREAS, As agreed and permitted under the Settlement Agreement, ICE and Plitt conveyed its interest in the Original Developer to ICE, and the Original Developer ceased to exist as a legal entity; and

WHEREAS, ICE transferred the Property to 210 W. 87th (Chicago) THC, L.L.C., an Illinois limited liability company (the ultimate successor in interest through various predecessors identified in this ordinance, is hereby referred to herein as the "New Owner"), pursuant to a deed dated May 31, 2007 and recorded June 4, 2007 with the Recorder of Deeds of Cook County Illinois as Document Number 07-15509069; and

WHEREAS, The New Owner is wholly owned and managed by 210 West 87th (Chicago) Joint Venture, L.L.C., an Illinois limited liability company (the "Joint Venture"), whose managing member is Inner City Retail, L.L.C., an Illinois limited liability company, which is solely owned by S.F. Holdings, L.L.C., an Illinois limited liability company ("S.F. Holdings"), and managed by Michael Silver, an individual ("Silver"); and

WHEREAS, S.F. Holdings is managed by Aaron Holdings, Inc., an Illinois privately held business corporation wholly owned by Silver, and which is wholly owned by Michael Silver Revocable Trust, 1996 Michael Silver Family Trust, and Silver Childrens Trust; and

WHEREAS, The other members of the Joint Venture are Starks Holdings L.L.C., an Illinois limited liability company (and solely owned by Donzell and Alisa Starks, individuals) and ICE Chatham, Inc., an Illinois privately held business corporation (solely owned by Silver); and

WHEREAS, ICE Development, L.L.C., which is solely owned by Donzell and Alisa Starks, operates the Project pursuant to an operating lease with the New Owner; and

WHEREAS, The Original Developer undertook the Project, and the New Owner continues to operate the Project, in accordance with the Chatham Ridge Plan and Project and pursuant to the terms and conditions of a new proposed redevelopment agreement to be executed by the New Owner and the City with certain terms and conditions different from the redevelopment agreement authorized by the 1998 Authorizing Ordinance; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

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

SECTION 2. The 1998 Authorizing Ordinance is hereby repealed.

SECTION 3. The New Owner is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 4. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the New Owner and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "2008 Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the 2008 Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the 2008 Redevelopment Agreement.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall be in full force and effect immediately upon its passage.

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

Exhibit "A".
(To Ordinance)

*Chatham Ridge Redevelopment Project Area
Redevelopment Agreement*

By And Between

The City Of Chicago

And

210 West 87th (Chicago) THC, L.L.C.

This Chatham Ridge Redevelopment Project Area Redevelopment Agreement (this "Agreement") is made as of this ___ day of _____, 2008, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and

Development ("D.P.D."), and 210 West 87th (Chicago) THC, L.L.C., an Illinois limited liability company (along with its predecessor entities identified below, unless the context dictates otherwise, collectively referred to herein as the "Developer").

Recitals.

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

B. Statutory Authority. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions 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 December 18, 1986: (1) "Approval of Tax Increment Redevelopment Plan and Redevelopment Project for the Chatham Ridge Redevelopment Project Area"; (2) "Designation of the Chatham Ridge Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "Adoption of Tax Increment Allocation Financing for the Chatham Ridge Redevelopment Project Area" (the "T.I.F. Adoption Ordinance"), (as amended from time to time, collectively referred to herein as the "T.I.F. Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in (Sub)Exhibit A hereto.

D. The Project. Plitt (defined below) purchased (the "Acquisition") certain property located within the Redevelopment Area approximately at 210 West 87th Street, Chicago, Illinois 60620 and legally described on (Sub)Exhibit B hereto (the "Property") the title to which was taken by LaSalle National Bank, N.A., as trustee under Trust Agreement dated May 8, 1997 and known as Trust Number 120994 ("LaSalle"), with Plitt as the beneficiary. Plitt caused LaSalle to enter into a ground lease (the "Ground Lease") of the Property with ICE and ICE entered into an operating lease (the "Operating Lease") of the Property with Plitt.

On May 20, 1998, the City Council enacted an ordinance (the "Prior Ordinance") which authorized the Plitt/ICE Chatham, L.L.C., an Illinois limited liability company since disbanded and whose sole members were Plitt and ICE (the "Original Developer"), to enter into a redevelopment agreement, however, the redevelopment agreement authorized under the Prior Ordinance was never executed by the City and the Original Developer.

The Original Developer commenced on or about July 15, 1997 and completed on or about May 1, 1998 the construction of an approximately sixty-three thousand two hundred fifty (63,250) square foot, fourteen (14) screen, approximately two thousand nine hundred thirty (2,930) seat capacity movie theater (the "Facility"), with associated parking for approximately six hundred sixty-seven (667) cars. The Facility and related improvements (including but not limited to those T.I.F.-Funded Improvements as defined below and set forth on (Sub)Exhibit C are collectively referred to herein as the "Project".

Following completion of the Project, Plitt was acquired by Loews Cineplex Entertainment Corporation ("Loews"). Loews filed a Chapter 11 Bankruptcy on behalf of itself and Plitt on February 15, 2001 as a result of which the Ground Lease and the Operating Lease were rejected by Plitt, and ICE took over management of the Property. Thereafter, Plitt, LaSalle and ICE entered into a bankruptcy settlement agreement dated May 6, 2002 (the "Settlement Agreement"). Pursuant to the Settlement Agreement the Property was transferred to ICE by deed dated December 18, 2002 and recorded May 6, 2003 with the Recorder of Deeds of Cook County Illinois as Document Number 03-12641092. As agreed and permitted under the Settlement Agreement, ICE and Plitt conveyed its interest in the Original Developer to ICE, at which time the Original Developer ceased to exist as a legal entity.

On May 31, 2007, ICE sold all interests in the Property and Project to 210 West 87th (Chicago) THC, L.L.C., an Illinois limited liability company (the "New Owner"), and wholly owned by 210 West 87th (Chicago) Joint Venture, L.L.C., an Illinois limited liability company (the "Joint Venture"). The managing member of the Joint Venture is Inner City Retail, L.L.C., an Illinois limited liability company ("Inner City"), which is solely owned by S.F. Holdings, L.L.C., an Illinois limited liability company ("S.F. Holdings"), and managed by Michael Silver, an individual ("Silver"). S.F. Holdings is managed by Aaron Holdings, Inc., an Illinois privately held business corporation (solely owned by Silver), and is wholly owned by Michael Silver Revocable Trust, 1996 Michael Silver Family Trust, and Silver Childrens Trust. The other members of the Joint Venture are Starks Holdings L.L.C., an Illinois limited liability company (and solely owned by Donzell and Alisa Starks, individuals) and ICE Chatham, Inc., an Illinois privately held business corporation (solely owned by Silver). The transfer of the Property to the New Owner occurred pursuant to a deed dated May 31, 2007 and recorded June 4, 2007 with the Recorder of Deeds of Cook County, Illinois as Document Number 07-15509069.

E. Redevelopment Plan. The Project was carried out in accordance with this Agreement and the Redevelopment Plan for the Chatham Ridge Redevelopment Project Area (the "Redevelopment Plan") attached hereto as (Sub)Exhibit D.

F. City Financing. The City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Taxes (as defined below) to reimburse the Developer for the costs of T.I.F.-Funded Improvements incurred by the Original Developer or its Affiliates 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.

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" when used to indicate a past or current relationship with a specified person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

"Applicable Base E.A.V" shall mean the equalized assessed valuation of the Property as determined pursuant to Section 4.07 hereof.

"Available Incremental Taxes" shall mean an amount equal to the positive difference, if any, of (a) the amount of Incremental Taxes attributable to the taxes levied on the Property remaining in the General Account of the Chatham Ridge T.I.F. Fund after payment of (i) all amounts required to be paid pursuant to the ordinance adopted by the City Council on November 4, 1987 authorizing the issuance of the T.I.F. Bonds and (ii) the City Fee pursuant to Section 4.05(b) over (b) the amount of Incremental Taxes deposited in the Chatham Ridge T.I.F. Fund attributable to the Applicable Base E.A.V.

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

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

"City Fee" shall mean the fee described in Section 4.05(b) hereof.

"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.

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

"Construction Contract" shall mean that certain contract entered into between the Developer (or an Affiliate of the Developer) and the General Contractor providing for construction of the Project.

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

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802, et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902, et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401, et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251, et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section, 136, et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1, et seq.); and (x) the Municipal Code of Chicago (as defined below), including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

"Equity" shall mean funds of the Developer or its constituent members (other than funds derived from Lender Financing) irrevocably used for the Project, in the amount set forth in Section 4.01 hereof.

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

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

"General Contractor" shall mean Walsh Construction.

"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.

"ICE" shall mean ICE Development L.L.C., an Illinois limited liability company.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the T.I.F. Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into a special tax allocation fund, being the herein defined Chatham Ridge T.I.F. Fund, established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Jobs Readiness Program" shall have the meaning ascribed to such term in Section 4.06 hereof.

"Lender Financing" shall mean funds borrowed by the Developer or its constituent members from lenders to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

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

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

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

"Other Bonds" shall have the meaning set forth in Section 8.05 hereof.

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

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

"Plitt" shall mean Plitt Theaters, Inc., a Delaware corporation.

"Project Budget" shall mean the budget attached hereto as (Sub)Exhibit H, showing the total cost of the Project, furnished by the Developer to D.P.D., 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 Plan or otherwise referenced in the Plan.

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

"Scope Drawings" shall mean the final construction documents containing a site plan and final 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 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 December 1, 2009, the date on which the Redevelopment Area is no longer in effect.

"T.I.F. Bonds" shall mean the City of Chicago Tax Increment Allocation Bonds (Chatham Ridge Redevelopment Project), Series 2002 issued by the City on September 24, 2002.

"T.I.F.-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the 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.

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

"W.B.E.(s)" shall mean a business identified in the *Directory of Certified Women Business Enterprises* published by the City's 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.

The Developer (or an Affiliate of the Developer) has pursuant to the Plans and Specifications (i) commenced construction on or about July 15, 1997 and (ii) completed construction and opened to conduct business operations on or about May 1, 1998.

3.02 Scope Drawings And Plans And Specifications.

Prior to the issuance of the Certificate hereunder, the Developer has delivered to D.P.D. a set of the Plans and Specifications for the Project or other documentation satisfactory to D.P.D., and all Scope Drawings or other documentation satisfactory to D.P.D.. The Developer represents that the Plans and Specifications for the Project and all Scope Drawings, or other such documentation which was submitted to D.P.D., conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer further represents that the Developer (or an Affiliate of the Developer) submitted all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as was necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget.

The Developer has furnished to D.P.D., and D.P.D. has approved, a Project Budget showing total costs for the Project in an amount of Sixteen Million One Hundred Eighty-four Thousand Four Hundred Twenty Dollars (\$16,184,420). The Developer has submitted to D.P.D. sufficient documentation confirming costs and expenses were actually incurred in the Construction of the Facility.

3.04 D.P.D. Approval.

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

3.05 Other Approvals.

Any D.P.D. approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof.

Section 4.

Financing.

4.01 Total Project Cost And Sources Of Funds.

The cost of the Project was Sixteen Million One Hundred Eighty-four Thousand Four Hundred Twenty Dollars (\$16,184,420). Such costs were funded from the following sources:

Equity	\$ 2,394,132
Lender Financing	13,790,288
TOTAL:	\$ 16,184,420

4.02 Developer Funds.

Equity and/or Lender Financing were used to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of T.I.F.-Funded Improvements.

4.03 City Funds.

(a) Uses Of City Funds. City Funds may be used to reimburse the Developer for costs of T.I.F.-Funded Improvements only that constitute Redevelopment Project Costs. (Sub)Exhibit C sets forth, by line item, the T.I.F.-Funded Improvements for the Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of the Certificate.

(b) Sources Of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 5 and Section 8.01(k) hereof, the City hereby agrees to reimburse the Developer as set forth in Section 4.03(c) hereof for the costs of the T.I.F.-Funded Improvements from Available Incremental Taxes deposited in the Chatham Ridge T.I.F. Fund (the "City Funds") in the total amount of Three Million Seven Hundred Fifty-one Thousand Fifty-eight Dollars (\$3,751,058) less a City residency penalty in the amount of Nineteen Thousand Nine Hundred Twenty Dollars (\$19,920) (the "City Residency Penalty") imposed on the Developer for its failure to meet its city residency goal. The City Residency Penalty was calculated based on a city residency goal that was calculated by D.P.D. based on an estimated project budget in the amount of Sixteen Million Five Hundred Fifty-five Thousand Two Hundred Eighty-eight Dollars (\$16,555,288), as evidenced in the Prior Ordinance, and such city residency goal was not met by the Developer resulting in the City Residency Penalty; provided further, that the City Funds shall be available to pay costs related to T.I.F.-Funded Improvements only so long as:

(i) the amount of the Available Incremental Taxes deposited into the Chatham Ridge T.I.F. Fund shall be sufficient to pay for such costs; and

(ii) the Developer has delivered a Requisition Form to the City as provided in this Agreement; and

(iii) No Event of Default, or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred and has not been cured.

The Developer acknowledges and agrees that the City's obligation to reimburse costs related to T.I.F.-Funded Improvements is contingent upon the fulfillment of the conditions set forth in parts (i), (ii) and (iii) above. D.P.D. shall retain the right to approve or reject, in its reasonable discretion, the designation of any cost in the Project Budget or in any Requisition Form as (i) a T.I.F.-Funded Improvement or (ii) a part of the actual total Project costs; provided, that any determination by D.P.D. shall be made in a manner consistent with the Project Budget and the Act. The City has reviewed and approved the Project Budget.

(c) Payment Of City Funds. Subject to the terms and conditions of this Agreement, the City, upon receipt of a Requisition Form from the Developer, shall disburse City Funds in the amount of Three Million One Hundred Nine Thousand Two Hundred and Eighty-one and 68/100 Dollars (\$3,109,281.68) at the Closing Date, which shall come from Available Incremental Taxes previously collected, and shall subsequently disburse to the Developer Three Hundred Ten Thousand Nine Hundred Twenty-eight and 16/100 Dollars (\$310,928.16) on an annual basis, starting in the 2007/2008 assessment/collection year, and continuing thereafter until such time that the City has paid to the Developer the aggregate total amount of Three Million Seven Hundred Thirty-one Thousand One Hundred Thirty-eight Dollars (\$3,731,138) (T.I.F. owed minus penalty), though not longer than 2009, as long as the amount of Available Incremental Taxes for such tax years exists to make such payments.

4.04 Requisition Form.

On or prior to each October 1 (or such other date as the parties may agree to), the Developer shall provide D.P.D. with a Requisition Form, along with the documentation described therein, in order to receive payment by the City by February 1st of each year in which the City disburses City Funds to the Developer.

4.05 Treatment Of Prior Expenditures And Subsequent Disbursements; City Fee.

(a) [Intentionally Deleted]

(b) City Fee. The City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall not be deducted from or considered a part of the City Funds, and the Developer shall not be required to pay such fee. Such fee shall be disbursed from the Chatham Ridge T.I.F. Fund prior to the disbursement of City Funds to reimburse the Developer hereunder for T.I.F.-Funded Improvements.

4.06 Job Training.

On the Closing Date, the Developer will provide a contribution of Twenty-five Thousand Dollars (\$25,000) toward programs provided by the Chicago Workforce Board, the check to be made payable to the "City of Chicago" and to be delivered to the City of Chicago's Department of Planning and Development, Development Support Services Division.

4.07 Applicable Base E.A.V.

The equalized assessed valuation of the Property as of January 1, 1996 (which was reflected on the final tax bills for such Property delivered in 1997 and reflected in the bills for the first estimated installment of taxes delivered on or about March 1, 1998) as determined pursuant to the Act was One Hundred Twenty Thousand Eight Hundred Sixty-three and 78/100 Dollars (\$120,863.78).

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

5.02 Scope Drawings And Plans And Specifications.

The Developer certifies that the Project was built pursuant to the Scope Drawings and the Plans and Specifications approved by the lenders providing the Lender Financing and in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals.

The Developer certifies that prior to the construction of the Project, it received all necessary approvals and permits required by any state, federal or local statute, ordinance or regulation.

5.04 Financing.

The Developer shall have furnished evidence reasonably acceptable to D.P.D. of the Equity and Lender Financing in the amounts set forth in Section 4.01 hereof used to complete the Project and satisfy its obligations under this Agreement. The Developer shall have furnished a copy of the deed to the Property. The City acknowledges that the Project is complete and Developer has sufficient equity and lender financing to satisfy its obligations under this Agreement.

5.05 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 ICE as owner of the Property. The title report shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on (Sub)Exhibit G hereto. The Developer shall provide to D.P.D., prior to the Closing Date, documentation related to the ownership of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to D.P.D.'s satisfaction, by the title report.

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 as follows:

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

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

5.07 Surveys.

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 D.P.D.

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 (Sub)Exhibit J, with such changes as may be required by or acceptable to Corporation Counsel.

5.10

[Intentionally Deleted]

5.11 Financial Statements.

Not less than thirty (30) days prior to the Closing Date, Developer and/or ICE, as appropriate, shall have provided Financial Statements to D.P.D. for its most recent three (3) fiscal years, and audited or unaudited interim financial statements.

5.12 Documentation.

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

5.13 Environmental.

Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided D.P.D. with copies of that certain phase I environmental audit completed with respect to the Property.

5.14 Corporate Documents.

The Developer shall have provided a copy of its Articles of Organization containing the

original certification of the Illinois Secretary of State; certificates of good standing from the Illinois Secretary of State and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other corporate documentation as the City may request.

5.15 Litigation.

The Developer shall have provided to Corporation Counsel and D.P.D., 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 Preconditions Of Disbursement.

Prior to each disbursement of City Funds hereunder, the Developer shall submit to D.P.D. any such documentation D.P.D. may request, in form and content satisfactory to D.P.D. in its sole discretion. Delivery by the Developer to D.P.D. 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 representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;
- (b) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens; and
- (c) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

The Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the T.I.F. Ordinances, this Agreement and/or the Escrow Agreement.

Section 6.

Agreements With Contractors.

6.01 Bid Requirement For General Contractor And Subcontractors.

Except as otherwise agreed to by D.P.D. in writing, prior to entering into an agreement with the General Contractor or any subcontractor for construction of the Project, the Developer

(or an Affiliate of the Developer) certifies that it solicited, or caused the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and submitted all bids received to D.P.D. for its inspection and written approval. The Developer (or an Affiliate of the Developer) submitted copies of the Construction Contract to D.P.D. in accordance with Section 6.02 below. The Developer (or an Affiliate of the Developer) certifies that it ensured that the General Contractor did not (and caused the General Contractor to have ensured that the subcontractors did not) begin work on the Project until all requisite permits had been obtained.

6.02 Construction Contract.

The Developer (or an Affiliate of the Developer) shall have delivered to D.P.D. a copy of the Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for D.P.D.'s prior written approval.

6.03 Performance And Payment Bonds.

Prior to commencement of construction for any work for the Project relating to construction in the public way, the Developer (or an Affiliate of the Developer) certifies that it required 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 Number A311 or its equivalent. The City shall have been named as obligee or co-obligee on such bond.

6.04 Employment Opportunity.

The Developer (or an Affiliate of the Developer) shall have contractually obligated and caused 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 have contained provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered into in connection with the T.I.F.-Funded Improvements shall have been provided to D.P.D. within five (5) business days of the execution thereof.

Section 7.

Completion Of Construction.

7.01 Certificate Of Completion.

On the Closing Date, D.P.D. shall have issued to the Developer a Certificate in recordable form certifying that the Developer had fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

7.02 Effect Of Issuance Of Certificate; Continuing Obligations.

The Certificate relates only to the construction of the Project. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein continued 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 have been construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.01(d), 8.02, 8.07 and 8.20 as covenants that run with the land and the improvements thereon are the only covenants in this Agreement intended to be binding upon any transferee of the 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 have been binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, had contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03

[Intentionally Deleted.]

7.04 Notice Of Expiration Of Term Of Agreement.

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

Section 8.

Covenants/Representations/Warranties Of The Developer.

8.01 General.

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

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Organization or bylaws 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, Developer shall maintain good, indefeasible and merchantable fee simple title to the Property. ICE may transfer all or a portion of the Property (or any interest therein) during the term of this Agreement only with the prior written consent of the City;

(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 best of the Developer's knowledge, threatened, or affecting the Developer which would impair its ability to perform under this Agreement;

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

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

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

(j) the sole member of the New Owner is the Joint Venture, and, without the prior written consent of D.P.D. (not to be unreasonably withheld), the Joint Venture hereby agrees not to transfer all or any portion of their respective membership interests in the New Owner;

(k) ICE shall remain current in its obligations under that certain settlement order dated June 3, 2005 (the "Settlement Order") by the Illinois Department of Revenue, Board of Appeals and provide evidence of such compliance to D.P.D., deemed acceptable to D.P.D. in its sole discretion, prior to each payment of City Funds to the Developer; and

(l) neither the Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

8.02 Covenant To Redevelop.

The Developer represents that it redeveloped the Property in accordance with 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 the improvements thereon and be binding upon any transferee.

8.03 Redevelopment Plan.

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

8.04 Use Of City Funds.

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

8.05 Other Bonds.

The City agrees that it shall not issue any other bonds which in anyway rely on the use of Available Incremental Taxes (the "Other Bonds") for so long as the City is obligated hereunder to reimburse the Developer for the T.I.F.-Funded Improvements (or any portion thereof) unless a portion of the proceeds of the Other Bonds are used to fully reimburse the Developer for all amounts then due and owing to the Developer hereunder.

8.06 Job Training.

The Developer hereby agrees to use its best efforts to participate in any job training program established by the City pursuant to Section 4.06 hereof.

8.07 Job Creation And Retention; Use Of The Facility; Covenant To Remain In The City.

As of the Closing Date, not less than six (6) full-time and thirty-five (35) part-time permanent jobs shall exist at the Facility, and such jobs shall be retained at the Facility through the Term of the Agreement. "Full-time" employees shall be defined as all employees working greater than twenty-five (25) hours in a workweek. Unless otherwise agreed to by D.P.D., all theaters at the Facility shall show only high-quality motion pictures, at least sixty percent (60%) of which at all times shall be first-run movies, that are rated by the United States motion picture industry, and are similar in content to movies shown and rated within the Chicago metropolitan area. On or prior to the Closing Date, the Developer shall provide to D.P.D. a list of the names of the movies shown at the Facility during the year 2007, and, on an annual basis, a list of the names of the movies shown at the Facility during the preceding calendar year. Upon seeking D.P.D.'s consent to a different use for the Facility other than as described above, the Developer shall provide a rationale for such change, and such consent of D.P.D. shall be in D.P.D.'s sole discretion. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago through December 31, 2009; provided, if the Developer closes the Facility and ceases to maintain the operations of the movie theater at any time after the Closing Date, then the City's obligations to disburse any City Funds pursuant to this Agreement will cease immediately upon such closure with no notice by the City required or cure period allowable. Furthermore, if the Developer closes the Facility and ceases to maintain the operations of the movie theater prior to December 31, 2009, then the Developer shall pay back to the City within thirty (30) days of the date the theater closed all City Funds the City will have disbursed to the Developer pursuant to this Agreement. The Developer hereby agrees that, without the prior written consent of D.P.D., the Facility shall not be subdivided or be used for any other use other than as described above. D.P.D. may also suspend reimbursement of City Funds if any of the following events occur: (i) the sale by Developer of the Property or a transfer of any interest of the Developer in the Property or the Facility (except as permitted pursuant to Section 8.01(d) hereof); (ii) the destruction of the Facility such that the Facility can no longer be used as contemplated by this Agreement, and

in which case the Facility shall be rebuilt and in use as contemplated by this Agreement by the Developer within a period of two (2) years and payment of City Funds to the Developer shall be suspended during that period of two (2) years unless such destruction occurred under circumstances such as those described in Section 18.17; or (iii) upon the condemnation of the Property or the Facility if, pursuant to such condemnation, the Property or the Facility is rendered unusable. The covenants set forth in this section shall run with the land and the improvements thereon and be binding upon any transferee of the Developer.

8.08 Employment Opportunity.

The Developer covenants and agrees to abide by the terms set forth in Section 10 hereof.

8.09 Employment Profile.

The Developer shall submit, to D.P.D., on or before January 1 of each year (or as D.P.D. may otherwise request), statements of its employment profile, including the number of jobs created and retained at the Facility.

8.10 Prevailing Wage.

The Developer represents that it or its Affiliate was contractually obligated and caused the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts listed 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. Upon the City's request, the Developer (or an Affiliate of the Developer) shall provide the City with copies of all such contracts entered into by the Developer (or an Affiliate of the Developer) or the General Contractor to evidence compliance with this Section 8.09.

8.11 Arms-Length Transactions.

Unless D.P.D. shall have given its prior written consent with respect thereto, or except with respect to the transactions set forth on (Sub)Exhibit M hereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any T.I.F.-Funded Improvement.

8.12 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 (or an Affiliate of the Developer) with respect thereto, owns or controls, has owned or controlled or will own or control any interest, direct or indirect, in the Developer's (or an Affiliate of the Developer) business, the Property or any other property in the Redevelopment Area.

8.13 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.

8.14 Financial Statements.

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

8.15 Insurance.

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

8.16 Non-Governmental Charges.

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

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

8.17 Developer's Liabilities.

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

8.18 Compliance With Laws.

To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project were 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, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in the performance of this Agreement. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.19 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.

8.20 Real Estate Provisions.

(a) Governmental Charges.

(i) **Payment Of Governmental Charges.** The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. Until a Certificate has been issued, the Developer shall notify the City that the real estate taxes have been paid in full within ten (10) days of such payment. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) **Right To Contest.** The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to D.P.D. of the Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option,

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

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

(b) **Developer's Failure To Pay Or Discharge Lien.** If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise D.P.D. thereof in writing, at which time D.P.D. may, but shall not be obligated to, and without waiving

or releasing any obligation or liability of the Developer under this Agreement, in D.P.D.'s sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which D.P.D. deems advisable. All sums so paid by D.P.D., if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to D.P.D. by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment Of Real Estate Taxes. [Intentionally Deleted]

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

(iii) No Reduction In Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project for any year that the Redevelopment Plan is in effect.

(iv) No Objections. [Intentionally deleted]

(v) Covenants Running With The Land. The parties agree that the restrictions contained in this Section 8.20 are covenants running with the land and the improvements thereon and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released upon the earlier of (A) December 31, 2009 or (B) when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.20(c) and Section 8.20(d) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.20(c) and Section 8.20(d).

8.21 Survival Of Covenants.

All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof) 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 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 nondiscriminatory 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 included the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and required 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 (or an Affiliate of the Developer) for itself and its successors and assigns, complied and contractually obligated its General Contractor and caused the General Contractor to contractually obligate its subcontractors, as applicable, during the construction of the Project to comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 292-330 of the Municipal Code of Chicago (at least fifty percent (50%) of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer (or an Affiliate of the Developer), its General Contractor and each subcontractor made good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

The Developer (or an Affiliate of the Developer) may have requested 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 (or an Affiliate of the Developer), the General Contractor and each subcontractor shall have provided for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall have maintained copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (United States Department of Labor Form WH-347 or equivalent) were submitted to the Commissioner of D.P.D. in triplicate, which identified 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 was written in after the employee's name.

The Developer (or an Affiliate of the Developer), the General Contractor and each subcontractor shall provide full access to their employment records to the Purchasing Agent, the Commissioner of D.P.D., the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer (or an Affiliate of 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 the execution of this Agreement.

Good faith efforts on the part of the Developer (or an Affiliate 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 have sufficed to replace the actual, verified

achievement of the requirements of this section concerning the worker hours performed by actual Chicago residents.

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

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

The Developer (or an Affiliate of the Developer) caused or required 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 M.B.E./W.B.E. Commitment.

The Developer certifies that if it was necessary to meet the requirements set forth herein, the Developer (or an Affiliate of the Developer) contractually obligated 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 "M.B.E./W.B.E. Program"), Section 2-92-420, et seq., Municipal Code of Chicago, pursuant to the M.B.E./W.B.E. Program municipal code provisions in effect at the time the Project was constructed and in reliance upon the provisions of the M.B.E./W.B.E. Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at

least the following percentages of the total Project Budget as estimated in the Prior Ordinance (less the acquisition price of the Property or any portion thereof, if any) shall be expended for contract participation by M.B.E.s or W.B.E.s:

- (i) at least twenty-five percent (25%) by M.B.E.s.
- (ii) at least five percent (5%) by W.B.E.s.

(b) For purposes of this Section 10.03 only, the Developer (or an Affiliate of the Developer) (and any party to whom a contract is let by the Developer (or an Affiliate of the Developer) in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer (or an Affiliate of 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 M.B.E./W.B.E. commitment may be achieved in part by the Developer's status as an M.B.E. or W.B.E. (but only to the extent of any actual work performed on the Project by the Developer (or an Affiliate of the Developer)), or by a joint venture with one or more M.B.E.s or W.B.E.s (but only to the extent of the lesser of (i) the M.B.E. or W.B.E. participation in such joint venture or (ii) the amount of any actual work performed on the Project by the M.B.E. or W.B.E.), by the Developer (or an Affiliate of the Developer) utilizing a M.B.E. or a W.B.E. 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 M.B.E.s or W.B.E.s, or by the purchase of materials used in the Project from one or more M.B.E.s or W.B.E.s, or by any combination of the foregoing. Those entities which constitute both a M.B.E. and a W.B.E. shall not be credited more than once with regard to the Developer's M.B.E./W.B.E. commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of M.B.E.s or W.B.E.s in its activities and operations other than the Project.

(d) The Developer (or an Affiliate of the Developer) delivered quarterly reports to D.P.D. during the construction portion of the Project describing its efforts to achieve compliance with this M.B.E./W.B.E. commitment. Such reports included inter alia the name and business address of each M.B.E. and W.B.E. solicited by the Developer (or an Affiliate of 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 M.B.E. or W.B.E. actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service; and such other information as may assist D.P.D. in determining the Developer's compliance with this M.B.E./W.B.E. commitment. D.P.D. shall have access to the Developer's (or an Affiliate of the Developer) 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 M.B.E./W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the Project.

Section 11.

Environmental Matters.

(a) The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project was constructed, completed and is operated in accordance with all Environmental Laws and this Agreement and all exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

(b) Without limiting any other provisions hereof, the 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 all or any portion of the Property, or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

Section 12.

Insurance.

The Developer shall procure and maintain, or cause to be procured and maintained, at its sole cost and expense, at all times throughout the Term of this Agreement (and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement:

- (a) Workers' Compensation And Occupational Disease Insurance.

Workers' Compensation and Occupational Disease Insurance, in accordance with the laws of the State of Illinois or any other applicable jurisdiction, covering all

employees who are to provide a service under or in connection with this Agreement, and employer's liability coverage, with limits of not less than One Hundred Thousand and no/100 Dollars (\$100,000.00) for each accident or illness.

(b) Commercial Liability Insurance (Primary And Umbrella).

Commercial Liability Insurance or equivalent with limits of not less than One Million and no/100 Dollars (\$1,000,000.00) per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations, independent contractors, cross liability, personal injury with no exclusion pertaining to contractual obligations, and contractual liability (with no limitation endorsement). The City of Chicago, its employees, elected officials, agents and representatives are to be named as additional insureds on a primary, noncontributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(c) Other Provisions.

(i) Delivery of certificates to City: at least five (5) business days prior to the Closing Date (unless otherwise specified) the Developer shall furnish the following certificates to D.P.D. at City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602:

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

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

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

(iii) [Intentionally Deleted]

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

(v) The Developer and not the City is responsible for meeting all of the insurance requirements under this Agreement and for the Project. Any insurance or self-insurance programs maintained by the City shall apply in excess of and not contribute with insurance required to be provided by the Developer under this Agreement.

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

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

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

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 T.I.F.-Funded Improvements or any other Project improvement, or (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or 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.

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, 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 anyone 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 (i) this Agreement or (ii) any related agreement, if such failure with respect to any related agreement materially adversely affects Developer's ability to perform its obligations under this Agreement;

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

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

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

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

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

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

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

(i) the dissolution of the Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer,

which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor); or

(k) the failure to remain current in its obligations under Settlement Order and to provide evidence of such compliance to D.P.D. prior to each payment of City Funds to the Developer.

For purposes of Section 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, in addition to all other rights and remedies contained in this Agreement, including those specifically set forth in Section 18.18, the City may terminate this Agreement and all related agreements, and, subject to the provisions of Section 8.07 hereof, may suspend disbursement of City Funds or require the Developer to reimburse City Funds to the City already disbursed to the Developer. 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; provided, further, that there shall be no cure period under this Section 15.03 with respect to the Developer's failure to comply with the operation requirements of Section 8.06 hereof.

Section 16.

Mortgaging Of The Project.

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on (Sub)Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages". Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage". Any 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 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 have been executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of D.P.D.

Section 17.

Notice.

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

If To The City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

If To The Developer:

210 West 87th (Chicago) THC, L.L.C.
6823 South Euclid Avenue
Chicago, Illinois 60649
Attention: Mr. Donzell Starks

with copies to:

Donzell and Alisa Starks
6823 South Euclid Avenue
Chicago, Illinois 60649

Neal & Leroy, L.L.C.
203 North LaSalle Street, Suite 2300
Chicago, Illinois 60601
Attention: Langdon D. Neal, Esq.

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

Section 18.

Miscellaneous.

18.01 Amendment.

This Agreement and the exhibits attached hereto may not be amended without the prior written consent of the City and the Developer.

18.02 Entire Agreement.

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

18.03 Limitation Of Liability.

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

18.04 Further Assurances.

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

18.05 Waiver.

Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any

other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

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 T.I.F. Ordinances, such ordinance(s) shall prevail and control.

18.12 Governing Law.

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

18.13 Form Of Documents.

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

18.14 Approval.

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

18.15 Assignment.

Prior to any sale, assignment or other transfer of its interest in this Agreement, the Developer shall obtain from any successor in interest to the Developer under this Agreement a certification in writing to the City, of such successor's agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.21 (Real Estate Provisions) and 8.22 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment to 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. Notice of such delay for any such reason shall be given by the party seeking to excuse its performance by virtue thereof to the other party within twenty (20) days of commencement of such delay, and excuse from performance of obligations shall be limited to the actual number of days involved in such delay.

18.18 Business Economic Support Act.

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

18.19 Exhibits.

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

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.

Developer:

210 West 87th Street (Chicago) THC, L.L.C.,
an Illinois limited liability company

By: 210 West 87th (Chicago) Joint Venture,
L.L.C., an Illinois limited liability
company, its Manager

By: Inner City Retail, L.L.C.,
an Illinois limited liability company,
its Manager

By: _____
Michael Silver, Manager

and

Joinder:

210 West 87th (Chicago) Joint Venture,
L.L.C., an Illinois limited liability company

By: _____

and

ICE Development, L.L.C.,
an Illinois limited liability company

By: _____
Donzell Starks

Its: Manager

City:

City of Chicago

By: _____
Arnold L. Randall, Commissioner,
Department of Planning
and Development

State of Illinois)
)SS.
County of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that _____, on behalf of, and as manager of _____, personally known to me to be members of _____ 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, as their free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

(Sub)Exhibit "A".
(To Chatham Ridge Redevelopment Project Area
Redevelopment Agreement)

Redevelopment Area.

Parcel I:

That part of the south 35.00 acres (except the east 304 feet as measured at right angles to the east line thereof) of the east half of the southeast quarter of Section 33, Township 38 North, Range 14 East of the Third Principle Meridian in Cook County, Illinois, lying south of the following described line:

commencing at a point in the east line of the aforesaid southeast quarter that is 629.10 feet north of the southeast corner of the aforesaid Section 33; thence west in a line parallel to the south line of the aforesaid southeast quarter (being the north line of the south 300 feet of the north 25.00 acres of the said south 35 acres) to a point that is 450.00 feet east of the west line of the aforesaid east half of the southeast quarter; thence north on a line at a right angle to the last described line a distance of 51.5 feet; thence west on a line at a right angle to the last described line and parallel to the south line of the aforesaid southeast quarter a distance of 450.00 feet more or less to the west line of the east half of the southeast quarter of said Section 33, including that part falling in West 87th Street.

Parcel II:

That part of the northeast quarter and the east half of the northwest quarter of Section 4, Township 37 North, Range 14 East of the Third Principle Meridian in Cook County, Illinois lying northerly of the southerly line, and said southerly line extended, of West 87th Street, west of a line 304 feet (measured at right angles thereto) west of the east line of said northeast quarter section and east of the west line of Parnell Avenue.

Parcel III:

That part of the west half of the southeast quarter of Section 33, Township 38 North, Range 14 East of the Third Principle Meridian, in Cook County, Illinois lying south of the south line, and said south line extended west, of Lots 4 and 14 in Seymour Estate Subdivision (a subdivision of the west half of the said southeast quarter) and including 87th Street and Holland Road falling within, excepting therefrom that portion of the above described land lying south and adjoining Lots 4 and 14 in said Seymour Estate Subdivision bounded as follows:

commencing on a point on the center line of South Stewart Avenue extended southerly, which point is also on the southerly line of said Lot 4, extended westerly; thence easterly along said extended line and the southerly lines of said Lots 4 and 14, 815 feet, more or

less; thence southerly at right angles to the last described line 125 feet, more or less; thence westerly on a line parallel to the southerly line of said Lots 4 and 14, a distance of 500 feet; thence southerly on a line at right angles to the last described line, a distance of 625.00 feet; thence westerly on a line parallel to the southerly line of said Lots 4 and 14, 312.50 feet more or less to a point on the easterly boundary line of the C&W.I. Railroad right-of-way; thence northwesterly along said line until intersecting with the line of the centerline of South Stewart Avenue extended southerly; thence northerly until reaching the point of beginning.

Parcel IV:

That part of the east half of the west half of Section 33, Township 38 North, Range 14 East of the Third Principle Meridian in Cook County, Illinois lying southwesterly of the northerly line of 83rd Street, and said northerly line extended northwesterly to the westerly line of Vincennes Avenue and southeasterly of the westerly line of Vincennes Avenue, (excepting thereof those parts falling in Blocks 1 and 3 of William O. Cole's South Englewood Park Subdivision, a subdivision of that part of South Englewood known on the original plat as Steven A. Newman's private grounds in the east half of the southwest quarter of said section recorded September 11, 1873, Book 5, Page 99 and Block 17 of the plat of part of South Englewood, a subdivision of that portion of said section, which lies west and southwest of Holland Settlement Road and south and southeast of Vincennes Avenue and east of the centerline of the C.R.I. & P.R.R. recorded January 16, 1873, Book 3, Page 80, and those parts of 85th Street, 86th Street and 87th Street which lie west of the west line, and said west line extended, of Parnell Avenue), including those parts falling in 83rd Street, 84th Street, 87th Street and Vincennes Avenue, and including all those other streets and alleys, dedicated or otherwise, falling within said land or which may revert to the public in the future; but excepting therefrom the parcel of land bounded as follows: by the easterly boundary line of the C&W.I. Railroad right-of-way, the northerly line of South Vincennes Avenue, the northerly line of West 83rd Street and the westerly line of South Stewart Avenue, (consisting of approximately 8.2206 acres, more less).

(Sub)Exhibit "C".

(To Chatham Ridge Redevelopment Project Area
Redevelopment Agreement)

T.I.F.-Funded Improvements.

Item	Total Costs	T.I.F. Eligible Portion Of Total Costs
Property Assembly Cost		\$2,515,000
Land Acquisition	\$2,515,000	

Item	Total Costs	T.I.F. Eligible Portion Of Total Costs
Site Preparation and Site Improvement		\$2,325,856
Excavation	\$ 911,459	
Site Concrete	89,510	
Site Utilities	1,091,890	
Site Fencing	72,300	
Landscaping	87,009	
Security	73,688	
Cost of studies, surveys, plan development and specifications		1,099,673
Survey and Layout	42,200	
General Conditions/Fees/Insurance/Surveys	1,057,473	
Implementation And Administration of Redevelopment Plans		1,703,746
Minority Consultant	56,848	
Project Management	311,117	
Planning Consultants (architectural, engineering, et cetera)	455,726	
Legal Fees	177,479	
Financing (legal fees, loan commitment fee, interest)	559,626	
Other Soft Costs	142,950	
TOTAL T.I.F. ELIGIBLE COST:		\$7,644,275

(Sub)Exhibit "G".
(To Chatham Ridge Redevelopment Project Area
Redevelopment Agreement)

Permitted Liens.

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. All mortgages or deeds of trust with respect to the Property that the Developer may elect to execute and record or permit to be recorded against the Property or any portion thereof after the date of the issuance of the Certificate, if the mortgagee accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof.
3. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any:

None.

(Sub)Exhibit "H".
(To Chatham Ridge Redevelopment Project Area
Redevelopment Agreement)

Project Budget.

Item	Total Costs
<i>Property Assembly Costs</i>	
Land Acquisition	\$2,515,000

Item	Total Costs
Site Preparation And Site Improvements	
Excavation	\$ 911,459
Site Concrete	89,510
Site Utilities	1,091,890
Site Fencing	72,300
Landscaping	87,009
Security	73,688
Construction	
Cast-in-place Concrete	621,842
Precast Concrete	843,063
Structural Steel	556,377
Rough Carpentry	254,599
Millwork	47,014
Roofing	239,404
Caulking	0
Metal Panels	46,710
Fireproofing	24,520
Doors and Hardware	75,988
Storefront and Glazing	95,080
Drywall/Acoustical	1,084,781
Carpet and Floor Tile	39,368
Painting	140,953
Toilet Partitions	16,656

Item	Total Costs
Signage	\$ 8,630
Pneumatic Tube System	15,450
Plumbing	210,576
H.V.A.C.	610,288
Fire Protection System	171,113
Electrical	1,423,051
Cost Of Studies, Surveys, Plan Development And Specifications	
Survey and Layout	42,200
General Conditions/Fees/Insurance/Surveys	1,057,473
Implementation And Administration Of Redevelopment Plans	
Minority Consultant	56,848
Project Management	311,117
Planning Consultants (architectural, engineering, et cetera)	455,726
Legal Fees	177,479
Financing (legal fees, loan commitment fee, interest)	559,626
Other Soft Costs	142,950
Furniture, Fixtures and Equipment	1,368,200
Exterior Pylon Signs	169,710
TOTAL:	\$16,184,420

(Sub)Exhibit "J".
(To Chatham Ridge Redevelopment Project Area
Redevelopment Agreement)

Opinion Of Developer's Counsel.

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to 210 W. 87th (Chicago) THC, L.L.C., an Illinois limited liability company (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Chatham Ridge 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) Chatham Ridge Project Area Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

(b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined:

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the Project; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

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

Based on the foregoing, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign corporation under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's Articles of Incorporation or Bylaws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of [Lender].

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

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

5. (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no

warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

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

7. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

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

10. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

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

Very truly yours,

By: _____

Name: _____

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

(Sub)Exhibit "L."
 (To Chatham Ridge Redevelopment Project Area
 Redevelopment Agreement)

Requisition Form.

State of Illinois)
)SS.
 County of Cook)

The affiant, _____, _____ of Plitt/ICE Chatham, 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 Chatham Ridge Redevelopment Project Area Redevelopment Agreement between the Developer and the City of Chicago dated _____, 2008 (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:

Item	Total Costs
Property Assembly Costs	
Land Acquisition	\$ 2,515,000

Item	Total Costs
Site Preparation And Site Improvements	
Excavation	\$ 911,459
Site Concrete	89,510
Site Utilities	1,091,890
Site Fencing	72,300
Landscaping	87,009
Security	73,688
Construction	
Cast-in-place Concrete	621,842
Precast Concrete	843,063
Structural Steel	556,377
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Caulking	0
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Fireproofing	24,520
Doors and Hardware	75,988
Storefront and Glazing	95,080
Drywall/Acoustical	1,084,781
Carpet and Floor Tile	139,368
Painting	140,953
Toilet Partitions	16,656
Signage	8,630
Pneumatic Tube System	15,450
Plumbing	210,576

Item	Total Costs
H.V.A.C.	\$ 610,288
Fire Protection System	171,113
Electrical	1,423,051
Cost Of Studies, Surveys, Plan Development And Specifications	
Survey and Layout	42,200
General Conditions/Fees/Insurance/Surveys	1,057,473
Implementation And Administration Of Redevelopment Plans	
Minority Consultant	56,848
Project Management	311,117
Planning Consultants (architectural, engineering, et cetera)	455,726
Legal Fees	177,479
Financing (legal fees, loan commitment fee, interest)	559,626
Other Soft costs	142,950
Furniture, Fixtures And Equipment	1,368,200
Exterior Pylon Signs	169,710
TOTAL:	\$16,184,420

B. The Developer requests reimbursement for the following Cost of T.I.F.-Funded Improvements:

[To Be Inserted]

C. Attached are the following documents:

1. a certification as to the status of job creation and a list of the names of the movies shown at the Facility during the year 200_ in accordance with Section 8.06 of the Agreement; and
2. all reports detailing compliance with Section 10.03 of the Agreement.

D. 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

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.

4. The Developer has not closed the Facility and currently maintains the operations of the movie theater.

5. The Developer is current in its obligations under the "Settlement Order" and has provided evidence of such compliance to D.P.D., deemed acceptable to D.P.D. in its sole discretion.

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

210 West 87th (Chicago) THC, L.L.C.,
an Illinois limited liability company

By: _____
Name

Title: _____

Subscribed and sworn before
me this __ day of _____ 2008.

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago
Department of Planning and Development