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COOK COUNTY RECORDER

DEPT-01 RECORDING \$381.50
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#0881 # KE #-04-081891
COOK COUNTY RECORDER

REDEVELOPMENT AGREEMENT

THE CITY OF CHICAGO
AND

WABASH LIMITED PARTNERSHIP

1318-1352

E 117678 / N 942499
Cook Co. Ill.

1318-1352
S. Wabash
101 new units
where

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This agreement was prepared by
and after recording return to:
Monica M. Monroe
City of Chicago - Law Department
Finance and Economic Development Division
121 North LaSalle Street, Room 511
Chicago, IL 60602

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LIST OF EXHIBITS

- Exhibit A Redevelopment Area
- Exhibit B Property
- Exhibit C TIF-Funded Improvements
- Exhibit D Redevelopment Plan
- Exhibit E Construction Contract
- Exhibit F Escrow Agreement
- Exhibit G Permitted Liens
- Exhibit H Project Budget
- Exhibit I Owner's Sworn Statement, including authorized
Prior Expenditures
- Exhibit J Opinion of Developer's Counsel
- Exhibit K Permitted Indebtedness
- Exhibit L Preliminary TIF Projection -- Real Estate Taxes
- Exhibit M Real Estate Provisions

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This agreement was prepared by and
after recording return to:
Monica M. Monroe
City of Chicago - Law Department
Finance and Economic Development
121 North LaSalle Street, Room 511
Chicago, IL 60602

WABASH LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT

This Wabash Limited Partnership Redevelopment Agreement (this "Agreement") is made as of this 28th day of December, 1994, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Wabash Limited Partnership, an Illinois limited partnership ("the Developer") and American National Bank and Trust Company of Chicago, a national banking association, not personally but as trustee (the "Trustee") under a Trust Agreement dated October 1, 1994 and known as Trust Number 118865-04 whose sole beneficial owner is 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 authority to promote the health, safety, and welfare of the City and its inhabitants, 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. (1992 State Bar Edition) (the "Act") to finance the redevelopment of blighted areas.

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 August 3, 1994: (1) "An Ordinance Adopting and Approving the Near South Redevelopment Area Project and Plan"; (2) "An Ordinance Designating the Near South Redevelopment Project Area"; and (3) "An Ordinance Adopting Tax Increment Allocation Financing for the Near South Redevelopment Project Area" (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased certain property located within the Redevelopment Area at 1318-1352 South Wabash Avenue, Chicago, Illinois 60605 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.02 hereof, shall commence rehabilitation of condominium units, along with construction of indoor and outdoor

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parking spaces thereon. The Developer shall rehabilitate adjoining three-story and ten-story structures for use as 87 residential condominiums, and create 56 indoor and 64 outdoor parking spaces on-site. The condominium units shall provide a mix of one- and two-bedroom units ranging in size from 800 to 1800 square feet. The acquisition of the Property, the rehabilitation of the 87 condominium units and the construction of the 56 indoor and 64 outdoor parking spaces, including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project". The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Near South Redevelopment Project Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

F. The City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, certain of the proceeds of the tax increment allocation bonds ("TIF Bonds") issued pursuant to An Ordinance of the City of Chicago providing for the issuance of not to exceed \$35,000,000 Tax Increment Allocation Bonds (Near South Redevelopment Project), Series 1994A, adopted by City Council on August 3, 1994 (the "TIF Bond Ordinance"), the proceeds of which (the "TIF Bond Proceeds") may be used in part to pay for the costs of the TIF-Funded Improvements or to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

"City Fee" shall mean the fee described in Section 4.03(c) hereof.

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

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

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

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

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

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

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company and the Developer, substantially in the form of Exhibit F attached hereto.

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

"Financial Statements" shall mean complete [unaudited] 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.

"First Construction Disbursement" shall mean the first disbursement from the Escrow subsequent to the Closing Date related to construction or development costs.

"General Contractor" shall mean Kenard Corporation, hired by the Developer pursuant to Section 6.01 hereof.

"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.

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

"MBE(s)" or minority-owned business 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 business enterprise.

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

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

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

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

"Project Budget" shall mean the budget attached hereto as Exhibit H, showing the total cost of the Project by line item,

SECTION 3. THE PROJECT

3.01 The Project. The Developer shall, pursuant to the Plans and Specifications: (i) commence and diligently proceed with the construction of the Project no later than [November], 1994; and (ii) complete construction of the Project and conduct business operations therein no later than March 15, 1996.

3.02 DPD Approval of Scope Drawings and Plans and Specifications.

(a) Preliminary Approval. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and all applicable state and local laws, ordinances and regulations. The Developer has delivered the Scope Drawings to DPD for its review and written approval. The Developer has simultaneously submitted all such documents to the City's Building Department, Department of Transportation and such other the City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

(b) Revisions. The Scope Drawings and/or Plans and Specifications as initially presented pursuant to Section 3.02(a), have been approved by DPD. Proposed changes, modifications or amendments to such Scope Drawings and/or Plans and Specifications must be submitted to DPD for its review and approval as a Change Order pursuant to Section 3.04 hereof.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget dated as of the date hereof showing total costs for the Project in an amount not less than Twelve Million Five Hundred Thirty-Five Thousand Six Hundred Ninety-Eight Dollars (\$12,535,698). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted by the Developer to DPD for DPD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this

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effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of TIF Bond Proceeds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Fifty Thousand Dollars (\$50,000.00) each, to an aggregate amount of Two Hundred Thousand Dollars (\$200,000.00), do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding in connection with any portion of the Project which involves work that is to be performed in the public way.

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

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

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$12,535,698, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b)</u> and <u>4.06</u>)	\$2,000,000
Lender Financing/Sales Proceeds	\$8,475,698
Estimated City Funds (subject to <u>Section 4.03</u>)	\$2,060,000

ESTIMATED TOTAL

\$12,535,698

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

4.03 The City Funds.

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

(b) Sources of the City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to reserve the City funds from the sources and in the amounts described directly below ("the City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

<u>Source of the City Funds</u>	<u>Maximum Amount</u>
TIF Bond Proceeds	\$2,060,000

provided, however, that the total amount of the City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Two Million and Sixty Thousand Dollars (\$2,060,000) with such amount to be further reduced by the City Fee. The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$2,060,000 is contingent upon the fulfillment of the conditions set forth herein.

4.04 Construction Escrow. City and the Developer hereby agree to enter into the Escrow Agreement with the Title Company or an affiliate of the Title Company. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. The AIA form Owner's Sworn Statement, being Exhibit I hereto, sets forth the prior expenditures approved by DPD as

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Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) City Fee. City may allocate the sum of Sixty Thousand Dollars (\$60,000) for payment of costs incurred or to be incurred by the City for the administration and monitoring of the Project. Such fee shall be disbursed from the City Funds to DPD on the Closing Date, directly rather than through the Escrow.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$50,000 or \$200,000 in the aggregate, may be made without the prior written consent of DPD.

(d) Allocation of Costs With Respect To Sources of Funds.

(i) Developer Equity. Prior to the Closing Date, Developer equity in the amount of \$2,000,000 shall be documented as Prior Expenditures to DPD in accordance with Section 4.05(a) hereof. No Developer equity shall be disbursed pursuant to the Escrow Agreement other than such additional equity as may be required to be contributed to the Project pursuant to Section 4.06 hereof.

(ii) Pro Rata Disbursement of Lender Financing and the City Funds with respect to the first One Million Five Hundred Thousand Dollars. With respect to the disbursement of the first one million dollars of Project costs, the proportion of the aggregate amount of funds disbursed from Lender Financing (whether for TIF-Funded Improvements or non-TIF-Funded Improvements) to the aggregate amount of funds disbursed from the City Funds, shall be in the ratio of 1.00 to 2.00.

(iii) Pro Rata Disbursement of Lender Financing and the City Funds with respect to amounts after the first One Million Dollars. Insofar as the type and timing of the expenditures permit, with respect to the disbursement of Lender Financing and the City Funds after the disbursement of the first One Million Dollars, the proportion of the aggregate amount of funds disbursed from Lender Financing (whether for TIF-Funded Improvements or non-TIF-Funded Improvements) to the aggregate amount of funds disbursed from the City Funds,

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shall not be less than 2.9 to 1.00, and shall be disbursed as follows:

(A) Costs of non-TIF-Funded Improvements. Each amount paid for costs other than TIF-Funded Improvements, whether to directly pay or to reimburse the Developer, shall be charged to Lender Financing.

(B) Costs of TIF-Funded Improvements. Each amount paid for costs of TIF-Funded Improvements shall be charged either to Lender Financing (in order to meet the pro rata disbursement requirement set forth above) or the City Funds, to be used to directly pay for, or to reimburse the Developer for its previous payment for (out of Equity or Lender Financing) TIF-Funded Improvements.

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

4.07 Developer Funds. Equity and/or Lender Financing shall be used to pay for all Project costs, including but not limited to costs of TIF-Funded Improvements.

SECTION 5. CONDITIONS PRECEDENT

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

5.01 Project Budget. Developer shall have submitted to DPD, and DPD shall have approved, a Project Budget in accordance with the provisions of Section 3.03 hereof on or prior to the Closing Date.

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

5.03 Other Governmental Approvals. Not less than five (5) business days prior to the First Construction Disbursement, Developer shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD.

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5.04 Financing. Prior to the Closing Date, the Developer shall have furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement, and in connection with the Lender Financing the Developer shall have furnished proof as of the Closing Date that the proceeds of such Lender Financing are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity) as set forth in Section 4.01 to complete the Project.

5.05 Acquisition and Title. On or prior to the Closing Date, the Developer shall furnish the City with a certified, later-dated copy of the Title Policy, showing the Developer as the named insured, with respect to the Property. The Title Policy shall be dated on the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to extended coverage and satisfactory endorsements regarding zoning, contiguity, location and survey. The Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current State and county lien searches under the Developer's name (and any trade name of the Developer) showing no Uniform Commercial Code security interests, judgments, pending suits, federal or state tax liens or fixture filings filed 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. Certificates or binders evidencing the required coverages, along with paid receipts, shall have been delivered to DPD prior to the Closing Date.

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

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5.10 Evidence of Prior Expenditures. No later than twenty (20) business days prior to the Closing Date, the Developer shall have provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. the Developer shall have provided Financial Statements to DPD for its 1993 fiscal year, and [audited or] unaudited interim financial statements, not less than thirty (30) days prior to the Closing Date.

5.12 Documentation. the Developer shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to a current employment profile.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property, which DPD has approved. Based on DPD's review thereof, DPD may, in its sole discretion, require the completion of a phase II environmental audit with respect to the Property prior to the Closing Date. DPD reserves the right to terminate negotiations with respect to this Agreement if, in DPD's view, such audits reveal the existence of material environmental problems.

5.14 Preconditions of Disbursement. Prior to any disbursement of City Funds hereunder, the Developer shall submit documentation of such expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. The Developer shall have satisfied all other preconditions of disbursement of the City Funds as provided in the TIF Bond Ordinance, any certifications or representations made by the City in connection with the issuance of the Bonds, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement. Prior to entering into an agreement with a General Contractor for construction of the TIF-Funded Improvements in connection with the Project, the Developer shall solicit bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago. Developer shall select the General Contractor submitting the lowest responsible bid for any particular TIF-Funded Improvement who can complete the Project in a timely manner, and shall submit such bid to DPD for its written approval. If Developer selects other than the lowest responsible bid for any TIF-Funded Improvement, Developer shall pay the difference between the lowest responsible bid and the bid selected. DPD shall have the right to inspect all bids submitted. The General Contractor shall not begin work on the Project until the Scope Drawings and Plans and Specifications, as

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provided in Section 3.02 hereof, have been approved by DPD and all requisite permits have been obtained. The Commissioner of DPD may waive the requirement that the Construction Contract be bid if the Developer otherwise provides evidence that the costs of the Project are reasonable.

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

6.03 Performance and Payment Bonds. Prior to commencement of construction, Developer shall require that the General Contractor be bondable for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The Developer shall require that the General Contractor and any subcontractor be bonded for its performance and payment for any work to be performed in the public way. City shall be named as obligee or co-obligee on each such bond.

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

6.05 Local Contractors and Vendors. Developer shall use its best efforts to ensure that all contracts entered into in connection with the TIF-Funded Improvements for work done, services provided or materials supplied shall be let (by the Developer, the General Contractor or any subcontractor) to persons or entities whose main office and place of business is located within the City of Chicago. The Construction Contract and each contract between the General Contractor and any subcontractor shall contain a provision to this effect. In addition, the Construction Contract and each contract between the General Contractor and any subcontractor shall provide that the total hours of work pursuant to each such contract be performed by construction laborers, whether skilled or unskilled, of whom not less than 50% are actual residents of the City of Chicago, as defined in Section 2-92-330 of the Municipal Code of the City of Chicago.

6.06. Other Provisions. The Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to

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be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF PROJECT

7.01. Certificate of Completion. Upon completion of the Project in accordance with the terms of this Agreement, and at the Developer's written request, DPD shall issue the Developer a Certificate certifying that the Developer has fulfilled its obligation to construct the Project in accordance with the terms of this Agreement; provided, however, that the issuance of any such Certificate shall not operate as a waiver of any of the City's rights under this Agreement or any other agreement. DPD shall respond to the Developer's written request for a Certificate by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement, and any other objections to the issuance of a Certificate which DPD may have, and the measures which must subsequently be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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

- 1) the right to terminate this Agreement and to cease all disbursement of City Funds not yet disbursed pursuant to the Escrow Agreement;
- 2) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of the City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of the City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and
- 3) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds.

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SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER

The Developer represents, warrants and covenants to the City as follows:

8.01 General. the Developer represents, warrants and covenants that:

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

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

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

(d) Unless otherwise permitted pursuant to the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens and Lender Financing as disclosed in the Project Budget);

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

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

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

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business which would materially adversely effect the Developer's ability to complete the Project; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity in a manner which would materially adversely effect the Developer's ability to complete the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Section 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, 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.

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 the City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to pay for the TIF-Funded Improvements as provided in this Agreement.

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

8.06 Job Creation. Not less than fifty (50) construction jobs shall be created by the Developer during the course of the Project through the Construction Contract and each contract between the General Contractor and any subcontractor.

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

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

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

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

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8.11 Conflict of Interest. Developer represents and warrants 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 or the Redevelopment Plan, or any consultant hired by the City, owns or controls (or has owned or controlled) any interest, or represents any person, as agent or otherwise, who owns or controls any interest, direct or indirect, in the Developer's business or the property described in Exhibit B hereto; nor shall any such member, official, employee or consultant participate in any decision relating to the Developer's business which affects his or her interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended December 31, 1993 and each December 31 thereafter for the Term of the Agreement. In addition, the Developer shall submit [unaudited] financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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Section 8.15); or (ii) at DPD's sole option, to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. 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. Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

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

8.18 Recording and Filing. 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. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Conditional Provisions. The covenants set forth in Exhibit M hereto, in their entirety or selectively, will become effective at the sole option of the City and upon the City's receipt of an opinion from nationally recognized bond counsel that the effectiveness of those provisions will not adversely affect the tax-exempt status of the TIF Bonds. In the event that the City exercises its option to make any covenant(s) in Exhibit M effective, it shall so notify the Developer in accordance with Section 17 hereof.

8.20 Survival of Covenants. Except as set forth in this Section 8.20, all warranties, representations, covenants and agreements of the Developer contained in this Section 8 or

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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 be in effect throughout the Term of the Agreement; provided, however, that all provisions of this Agreement that are not, as of the date of the issuance of a Certificate, executory provisions, shall terminate upon issuance of such Certificate and be of no further force or effect; and provided further, that nothing in this Section 8.20 shall be construed as a waiver by the City of its rights and remedies pursuant to this Agreement and with respect to such terminated provisions during the period that such provisions were in effect, and all of the City's rights and remedies with respect thereto shall survive the issuance of the Certificate. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. 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. EMPLOYMENT OPPORTUNITY

Developer and its successors and assigns hereby agree, and shall contractually obligate and cause its or their General Contractor, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of this Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer

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will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: 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.

(b) To the greatest extent reasonably feasible, each Employer shall create training and employment opportunities for the benefit of low and moderate income residents of the Redevelopment Area. Moreover, to the greatest extent reasonably possible, contracts for work performed in connection with the Project shall be awarded by Employer to business concerns located in, or owned in substantial part by persons residing in, the Redevelopment Area.

(c) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(d) Each Employer shall make a good faith effort to hire the City residents for any temporary or permanent job vacancies created by the construction, development or use of the Property. Developer shall submit reports to DPD from time to time detailing its compliance with this provision within thirty (30) days after receipt of a written request from DPD with respect thereto.

(e) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(f) Developer shall expend at least the following percentages of the total Project Budget (less amounts paid for acquisition of the Property) for contract participation by MBEs or WBEs in the Project:

<u>Year</u>	<u>MBE Percentage</u>	<u>WBE Percentage</u>
1994	25%	5%

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This commitment may be met by the Developer's status as a MBE or WBE, or by a joint venture with one or more MBEs or WBEs (to the extent of the MBE or WBE participation in such joint venture), by using an MBE or WBE as General Contractor, by subcontracting or causing the General Contractor to subcontract a portion of the work to one or more MBEs or WBEs, by the purchase of materials used in the Project from one or more MBEs or WBEs, or by the indirect participation of MBEs or WBEs in other aspects of the Developer's business or by any combination of the foregoing. Those businesses that constitute both an MBE and WBE shall not be credited more than once against the Developer's MBE or WBE commitment. Developer may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project. City may require the Developer to demonstrate the specific efforts undertaken to involve MBEs and WBEs directly in the Project. Upon the written request of DPD, periodic reports shall be made by the Developer to the City on all efforts made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each MBE and WBE solicited by the Developer to work as General Contractor or subcontractor and the responses received to such solicitation, the name and business address of each MBE and WBE actually involved in the Project, a description of the work performed and or products or services supplied, the date and amount of each expenditure and such other information as may assist the City in determining the Developer's compliance with the foregoing provisions, and the status of any MBE or WBE performing any contract in connection with the Project. City shall have access to the Developer's books and records, including without limitation payroll records, tax returns and records and books of account, on five (5) days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation.

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

SECTION 11. ENVIRONMENTAL MATTERS

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

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

SECTION 12. INSURANCE

Developer shall procure and maintain, or cause to be 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, whether performed by the Developer, any contractor or subcontractor:

(a) Prior to Execution and Delivery of this Agreement: At least ten (10) business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

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(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

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

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included. The City of Chicago is to be named as an additional insured.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage. The City of Chicago is to be named as an additional insured.

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(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, the Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the project.

(c) Other Provisions

All insurance policies shall provide that the City shall be given 30 days prior written notice of any modification, renewal or cancellation. Original certificates of insurance evidencing the required coverages and renewal certificates of insurance or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement or prior to completion of construction of the Project, as applicable, shall be delivered in a timely manner, as herein required, to the City of Chicago, Department of Finance, Risk Management Office, 510 N. Peshtigo Court, Room 5A, 60602. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City.

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Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits

furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. Developer shall require all contractors and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

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

Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

City maintains the right to modify, delete, alter or change the provisions of this Section 12 so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 12 beyond that which is reasonably customary at such time.

SECTION 13. INDEMNIFICATION

Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement, or (iii) the existence of any material misrepresentation or omission in any document related to this Agreement that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer or (iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

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SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. 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. 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. Any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any related agreement (including, but not limited to, failure to diligently pursue construction);

(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,

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any lien or other encumbrance upon the Property which may have a material adverse effect on the Developer's ability to comply with the terms of this Agreement, 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 such 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 thirty (30) 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 thirty (30) 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 thirty (30) days after such entry without a stay of enforcement or execution which may have a material adverse effect on the Developer's ability to comply with the terms of this Agreement;

(h) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer; or

(i) 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.

For purposes of Sections 15.01(h) and 15.01(i) hereof, a person with a material interest in the Developer shall be one owning in excess of thirty-three percent (33%) of the general partner of the Developer's issued and outstanding shares of stock.

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15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. In addition to the rights described in Section 7.02 hereof, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a 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 twenty (20) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such twenty (20) 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 twenty (20) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages currently in place with respect to the Project are listed on Exhibit G hereto. DPD preapproves the execution and recording of a mortgage against the Property in favor of The First National Bank of Chicago ("Lender Mortgage") in accordance with the provisions and terms of that certain conditional commitment letter from The First National Bank of Chicago dated June 6, 1994 in connection with the Lender Financing for the Project, as such conditional commitment letter may be amended, revised, modified or supplemented from time to time. In the event that the Developer shall hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof, a mortgage(s) or deed(s) of trust (any such mortgage or deed of trust being hereinafter referred to as the "Mortgage" and the holder of the same being hereinafter referred to as the "Mortgagee"), then it is hereby agreed by and between the City and the Developer as follows:

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(a) Except for the Lender Mortgage, prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no such Mortgage shall be executed on the Property without the prior written consent of the Commissioner of DPD.

(b) In the event that the Mortgagee or any other party shall succeed to the Developer's interest in the Property pursuant to the exercise of remedies under a Mortgage, whether by foreclosure, deed in lieu of foreclosure, or otherwise, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in

accordance with Section 18.16 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 or other party succeeding to the Developer's interest in the Property does not expressly accept an assignment of the Developer's interest hereunder, such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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 or facsimile mail, return receipt requested.

If to the City: City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With Copies To: City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 511
Chicago, IL 60602

If to the Developer: Wabash Limited Partnership
c/o Wolverine Investments, Inc.
2401 W. Ohio Street
Chicago, Illinois 60612
Attention: Keith M. Giles

With Copies To: Polsky & Riordan, Ltd.
205 North Michigan Avenue
Suite 3909
Chicago, Illinois 60601
Attention: Samuel J. Polsky, Esq.

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or

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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.

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. 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

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relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

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

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

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

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City or DPD, or any matter is to be to the City's or DPD's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DPD in writing and in its sole reasonable discretion.

18.15 Assignment. Prior to the issuance by the City to the Developer of a Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Notwithstanding the issuance of such Certificates, any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 and 8.20 hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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18.16 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns.

18.17 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, 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 of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity 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 respective obligations hereunder.

SECTION 19 LAND TRUSTEE EXCULPATION.

This Redevelopment Agreement is executed by the Trustee, not personally but solely as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and said Trustee hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing herein shall be construed as creating any liability on the Trustee personally to perform any covenant either express or implied herein. No personal liability shall be asserted or be enforceable against the Trustee by reason of any of the covenants, statements, representations or warranties contained in this instrument.

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

ATTEST:

WABASH LIMITED PARTNERSHIP, an Illinois limited partnership

By: 1322 Wabash Corporation, an Illinois corporation and its sole general partner

By: *Samuel Daly*
Its: *Attorney*

By: *Orville J. Hill*
Its: *President*

American National Bank and Trust Company of Chicago, a national banking association, not personally, but as Trustee of Trust No. 118865-04

By: _____
Its: _____

CITY OF CHICAGO

By: *James J. ...*
Its: Commissioner, Department of Planning and Development

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

ATTEST: WABASH LIMITED PARTNERSHIP, an Illinois limited partnership

By: 1322 Wabash Corporation, an Illinois corporation and its sole general partner

By: _____

By: *[Signature]*

Its: _____

Its: President

American National Bank and Trust Company of Chicago, a national banking association, not personally, but as Trustee of Trust No. 118865-04

By: *[Signature]*

Its: TRUST OFFICER

CITY OF CHICAGO

By: _____
Its: Commissioner, Department of Planning and Development

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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

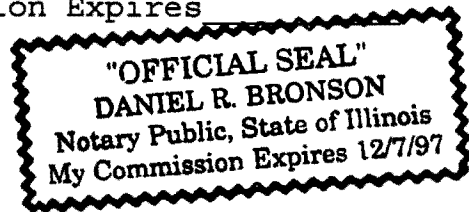
I, Daniel R. Bronson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Keith Giles and _____, personally known to me to be the President and _____ of 1322 Wabash Corporation, an Illinois corporation (the "Corporation") and the sole general partner of Wabash Limited Partnership, an Illinois limited partnership (the "Developer"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation, as their free and voluntary act and as the free and voluntary act of the Corporation and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 27th day of December, 1994.

Daniel R. Bronson
Notary Public

My Commission Expires

(SEAL)



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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

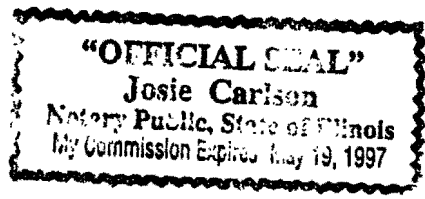
I, JOSIE CARLSON, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Keith Giles and _____, personally known to me to be the President and Secretary of 1322 Wabash Corporation, an Illinois corporation (the "Corporation") and the sole general partner of Wabash Limited Partnership, an Illinois limited partnership (the "Developer"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation, as their free and voluntary act and as the free and voluntary act of the Corporation and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28 day of December, 1994.

Josie Carlson
Notary Public

My Commission Expires _____

(SEAL)



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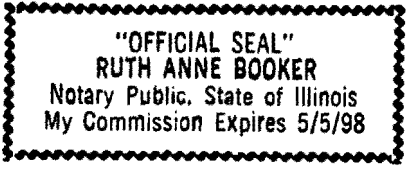
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, RUTH ANNE BOOKER, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael Wang, personally known to me to be the TRUST OFFICER of American National Bank and Trust Company of Chicago, a national banking association (the "Bank"), not personally, but as Trustee of Trust No. 118865-04, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the Board of Directors of the Bank, as his/her free and voluntary act and as the free and voluntary act of the Bank, for the uses and purposes therein set forth.

DEC 28 1994

GIVEN under my hand and official seal this ___ day of _____, 199_.


Notary Public



My Commission Expires 5/5/98

(SEAL)

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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

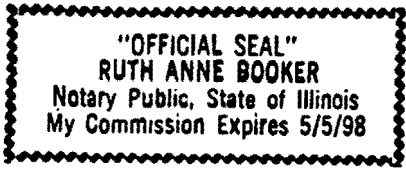
I, RUTH ANNE BOOKER, a notary public in and for the said County, in the State of Illinois, DO HEREBY CERTIFY that Michael Wang, personally known to me to be the TRUST OFFICER of American National Bank and Trust Company of Chicago, a national banking association (the "Bank"), not personally, but as Trustee of Trust No. 118865-04, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the Board of Directors of the Bank, as his/her free and voluntary act and as the free and voluntary act of the Bank, for the uses and purposes therein set forth.

DEC 28 1994

GIVEN under my hand and official seal this ___ day of _____, 199_.

Ruth Anne Booker
Notary Public

My Commission Expires 5/5/98



(SEAL)

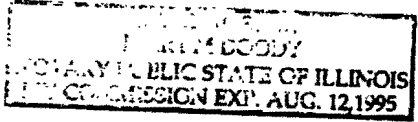
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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 27th day of December, 1994.

Mary M. Doody
Notary Public



My Commission Expires 8/12/95

(SEAL)

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PARCEL 1:

THE SOUTH 19 1/2 FEET OF LOT 19 (EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 5 1/2 FEET OF LOT 20 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF THE LAST WILL OF ELIZA GARRETT OF A TRACT OF LAND IN THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 18.5 FEET OF LOT 20 (EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 6 FEET OF LOT 21 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTH WEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 21 (EXCEPT THE NORTH 6 FEET AND EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 6 FEET OF LOT 22 (EXCEPT THE WEST 25 FEET THEREOF) ALL IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTH WEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THE NORTH 18 FEET OF LOT 22 (EXCEPT THE NORTH 4 FEET THEREOF AND EXCEPT THE WEST 25 FEET THEREOF) ALL IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

AND

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING ON THE WEST LINE OF WABASH AVENUE AT A POINT 972 1/3 FEET SOUTH OF THE NORTH LINE OF SAID FRACTIONAL QUARTER SECTION; THENCE NORTH ALONG THE WEST LINE OF WABASH AVENUE 40 FEET; THENCE WEST 100 FEET 8 INCHES TO THE EAST LINE OF THE ALLEY LYING BETWEEN WABASH AVENUE AND STATE STREET; THENCE SOUTH ALONG THE EAST LINE OF SAID 40 FEET; THENCE EAST 100 FEET 8 INCHES TO THE PLACE OF BEGINNING (EXCEPT THAT PORTION OF SAID PREMISES HERETOFORE CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY); IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOT 3 (EXCEPT THE WEST 25 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF LOT 1 IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 4 AND 5 (EXCEPT THE WEST 25 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF LOT 1 IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THE NORTH 30 FEET OF LOT 2 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PARCEL 8:

LOT 2 (EXCEPT THE NORTH 30 FEET AND EXCEPT THE WEST 25 FEET) AND LOTS 3 AND 4 (EXCEPT FROM SAID LOTS THE WEST 25 FEET THEREOF) IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOT 36 (EXCEPT THE WEST 25 FEET CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY BY WARRANTY DEED DATED FEBRUARY 28, 1891 AND RECORDED MARCH 14, 1891 AS DOCUMENT NUMBER 1433370) IN HARRINGTON'S ADDITION IN BLOCK 17 IN ASSESSOR'S DIVISION IN SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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Exhibit A
Redevelopment Area

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Exhibit B

Property

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EXHIBIT C
TIF FUNDED IMPROVEMENTS

ACTIVITY	AMOUNT
1. DEMOLITION	\$235,000
2. CONCRETE -- SIDEWALKS/GARAGE	150,000
3. MASONRY -- SANBLS/TKPT/OPENINGS	\$325,000
4. PLASTERING	160,000
5. WINDOWS	180,000
6. ELEVATOR	\$100,000
7. ROOFING	184,540
8. REHABILITATION OF EXISTING BUILDING/OTHER	1850,460
9. ARCHITECTURAL/ENGINEERING	\$150,000
10. LEGAL	165,000
TOTAL	\$2,000,000

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Exhibit D
Redevelopment Plan

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Exhibit E
Construction Contract

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Exhibit F
Escrow Agreement

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Escrow Account No. _____

ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Escrow Agreement"), dated as of December 28, 1994, is made and executed by the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), the undersigned developer (the "Owner"), the undersigned escrow agent (the "Escrow Agent") and the undersigned lender (the "Lender"), all as more particularly described on Exhibit A hereto. The City and the Lender are referred to herein collectively as the "Funders."

Preliminary Statement

The City has made a certain grant to the Owner (the "Grant") pursuant to that certain Redevelopment Agreement (herein as amended, supplemented and restated from time to time, the "Redevelopment Agreement") with the Owner, dated as of the date hereof. The Lender has made a certain loan to the Owner (the "Loan") pursuant to the loan documents (herein as amended, supplemented and restated from time to time, the "Loan Agreement"). The Redevelopment Agreement and the Loan Agreement are referred to herein collectively as the "Agreements." The Loan is secured by a mortgage (the "Mortgage") covering the land and improvements described therein. The title company identified on Exhibit A hereto (the "Title Company") has issued (or has issued its commitment to issue) an ALTA Mortgagee's Title Insurance Policy with respect to the Mortgage, referred to herein as the "Policy."

The Funders and the Owner desire to utilize the staff and expertise of the Escrow Agent to collect, review and approve lien waivers, and disburse the Escrowed Proceeds (as hereinafter defined), subject to the terms and conditions of this Escrow Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

I. Creation of and Deposits to Escrow Account.

A. Escrow Account. There is hereby created with the Escrow Agent an escrow account (the "Escrow Account"), into which all funds shall be deposited hereunder in the amounts set forth in Part I of Exhibit B hereto (the "Escrowed Proceeds"). The Escrow Agent will provide, upon written request, any information regarding the disbursement of funds from the Escrow Account, including but not limited to specific disbursements of the proceeds of the City Funds (as defined in the Redevelopment Agreement), the Equity (as hereinafter defined) and the Loan.

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B. Owner's Deposits. Over the term of this Escrow Agreement, the Owner will deposit into the Escrow Account any amounts that may be required pursuant to the Redevelopment Agreement (the "Equity"), at such times as may be required pursuant to this Escrow Agreement or the Redevelopment Agreement.

C. Funder Deposits. Over the term of this Escrow Agreement, the Funders will deposit into the Escrow Account the total amounts set forth for each such Funder respectively on Part I of Exhibit B hereto (being the proceeds of such Funder's Loan or Grant), all at intervals and installments to be determined pursuant to this Escrow Agreement and the respective Agreements. At the time of each disbursement to be funded from the proceeds of a Loan or Grant hereunder, such Funder shall make a deposit with the Escrow Agent of all or a portion of the proceeds of its respective Loan or Grant, in immediately available funds, in the amount approved by each Funder pursuant to such request for disbursement as provided in Section IV hereof and in the case of the Lender pursuant to the Loan Agreement, provided, however, that (i) no event shall have occurred which is or, with the passage of time or the giving of notice or both, would become an event of default under any of the Agreements, and (ii) each condition set forth in Section IV, as applicable, shall have been satisfied. If at any time during the course of construction or rehabilitation, as applicable, the total of the unpaid disbursed cost of such construction or rehabilitation as indicated by the column totals on the Owner's Statements (as hereinafter defined) and exceeds the amount of the undisbursed Escrowed Proceeds or if pursuant to §6.5 of the Loan Agreement the Lender's loan is out of balance, the City and Lender shall not be required to make a disbursement hereunder until the Owner has deposited in the Escrow Account either (a) the sum necessary to make the available funds equal to the unpaid disclosed cost of construction or rehabilitation, as applicable, or (b) a letter in form acceptable to the City, from a financial institution, stating that such financial institution has entered into a loan agreement with the Owner pursuant to which it will fund the amount of such shortfall through this Escrow Agreement prior to the final disbursement of funds hereunder. If any Funder shall, pursuant to a disbursement request, deposit with the Escrow Agent funds in an amount greater than the amount requested from such Funder, the Escrow Agent shall promptly transfer the amount of such excess back to such Funder.

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II. Allocation of Costs with Respect to Sources of Funds.

Deposits to the Escrow Account by the Owner and Funders and allocations of costs with respect to sources of funds shall be made pursuant to the terms set forth in Section 4.05(d) of the Redevelopment Agreement and applicable terms of the Loan Agreement (which are hereby incorporated herein by reference as if fully set forth herein), with the Owner and the City and not the Escrow Agent ensuring that City Funds are disbursed exclusively to pay costs

described on Exhibit C hereto as eligible costs (for TIF-Funded Improvements as defined in the Redevelopment Agreement) (the "Eligible Costs") and not used to pay costs described on Exhibit C hereto as ineligible costs (for items other than TIF-Funded Improvements as defined in the Redevelopment Agreement) (the "Ineligible Costs").

The Funders hereby agree to a pro rata disbursement of their respective funds as follows:

(i) Pro Rata Disbursement of Lender financing and the City funds with respect to the first One Million Five Hundred Thousand Dollars. With respect to the disbursement of the first one million five hundred thousand dollars of Project costs, the proportion of the aggregate amount of funds disbursed from Lender financing (whether for Eligible Costs or Ineligible Costs) to the aggregate amount of funds disbursed from the City funds, shall be in the ratio of 1.00 to 2.00.

(ii) Pro Rata Disbursement of Lender financing and the City funds with respect to amounts after the first One Million Five Hundred Thousand Dollars. Insofar as the type and timing of the expenditures permit, with respect to the disbursement of Lender financing and the City funds after the disbursement of the first one million five hundred thousand dollars, the proportion of the aggregate amount of funds disbursed from Lender financing (whether for Eligible Costs or Ineligible Costs) to the aggregate amount of funds disbursed from the City funds, shall not be less than 2.9 to 1.00, and shall be disbursed as follows:

(A) Ineligible Costs. Each amount paid pursuant to this Escrow Agreement for Ineligible Costs, whether to directly pay or to reimburse the Owner, shall be charged solely to Lender financing.

(B) Eligible Costs. Each amount paid pursuant to this Escrow Agreement for Eligible Costs shall be charged either to Lender financing (in order to meet the pro rata disbursement requirement set forth above) or the City funds, to be used to directly pay for, or to reimburse the Owner for its previous payment for (out of Equity or Lender financing) Eligible Costs.

III. Manner of Disbursement. Disbursements from the Escrow Account are to be made as follows, pursuant to each draw request approved pursuant to Section IV hereof:

A. By checks to each subcontractor evidencing payment due for labor and/or materials furnished for the Project (as defined in the Redevelopment Agreement);

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B. To the undersigned general contractor (the "General Contractor") for general requirements, builder's overhead (and for builder's profit, when applicable) and for labor and/or materials furnished directly by the General Contractor for the Project, approved by the Funders pursuant to such disbursement request;

C. To the General Contractor for labor and/or materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by a payment affidavit and lien waiver from the subcontractor; and/or

D. To the Owner and/or other parties as approved by the Owner and the Funders for non-construction items.

E. Reallocation among line items shall be permitted with City approval.

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project.

IV. Conditions Precedent to Disbursements.

NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER IF ANY FUNDER HAS NOTIFIED THE ESCROW AGENT IN WRITING OR BY TELECOPY NOT TO DO SO. IF THE ESCROW AGENT SHALL HAVE RECEIVED SUCH A NOTICE FROM ANY FUNDER, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER (a) EXCEPT AS PROVIDED IN SECTION V(G) HEREOF OR (b) UNLESS AND UNTIL ALL FUNDERS SHALL HAVE JOINTLY NOTIFIED THE ESCROW AGENT IN WRITING TO DO SO. THE ESCROW AGENT SHALL NOTIFY ANY FUNDER OF ANY NOTICES RECEIVED FROM THE OTHER FUNDER NOT TO MAKE FURTHER DISBURSEMENTS.

A. All Disbursements: The conditions precedent for all disbursements, including the first and final disbursement, are as follows:

1. Prior to each disbursement of funds hereunder, the following shall be furnished to the Escrow Agent (and such other party as may be specified):

a. If City Funds are to pay part or all of the expenses of the requested disbursement, the following shall be furnished to the City and the Escrow Agent:

(i) A Request for TIF Payment attached hereto as Exhibit D ("Request for TIF Payment") completed by the General Contractor (for construction costs) or the Owner (for non-

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construction costs), as applicable, specifying the amount of the requested payment and the line item under which such payment is authorized and to be paid, in accordance with the schedule of Eligible Costs and Ineligible Costs attached hereto as Exhibit C;

(ii) A certificate in the form attached hereto as Exhibit E from the person or entity shown on Exhibit E ("Inspector/Architect"); to the extent that disbursement is sought for soft costs or work not typically overseen by an architect, an affidavit from the construction department of Owner certifying that the work corresponds to the request for payment and that payment as shown on the Owner's Statement is due and owing;

b. A sworn owner's statement (the "Owner's Statement") disclosing all contractors, material suppliers and suppliers of services related to the Project, their respective addresses, work, materials or services to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due, which Owner's Statement shall be substantially similar to the Project Budget as defined in and attached to the Redevelopment Agreement (taking into account any approved Change Orders as defined in the Redevelopment Agreement), and which shall be annotated to indicate which expenditures are expected to be paid out of City Funds, Equity or the Loan, respectively;

c. A sworn General Contractor's statement setting forth in detail all contractors and material suppliers with whom the General Contractor has contracted for the Project, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "Contractor's Statement"), together with the partial waiver of the General Contractor in the amount of the draw, and waivers of liens, affidavits, supporting waivers and/or release of liens, if necessary, from subcontractors and material suppliers listed thereon;

d. An approval of the current condition of title shown in each Policy, from each Funder holding (or to receive) a Policy. When, after the first disbursement, a further title search reveals a

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subsequently arising exception over which the Title Company is unwilling to insure, the Escrow Agent will notify the Funders and discontinue disbursement until the exception has been disposed of to the satisfaction of all Funders; (provided, however, that a mechanic's lien claim over which the Title Company is required to insure hereunder shall not warrant a discontinuance of disbursement);

e. Other statements, invoices, waivers, affidavits, supporting waivers and releases of lien from such persons and in such form as may be required by the Escrow Agent, the City Comptroller or the City's Department of Planning and Development ("DPD") for the purpose of releasing and waiving any and all rights to file mechanic's lien claims against the property for those amounts and the work or materials which they represent, or, alternatively, the Owner may enter into such indemnification arrangement with the Escrow Agent as required by the Escrow Agent to underwrite the requested coverage and issue the said required policy;

f. The Equity due as of the date of the requested disbursement from the Owner, if any, shall be deposited into the Escrow Account and the Escrow Account shall contain sufficient funds, in the aggregate, consisting of Equity, the proceeds of the Loan and/or the City Funds, to cover the amount of the requested disbursement; and

g. A written approval by the Owner and the Funders of each requested disbursement and a request that the disbursement be made; approval on behalf of the City shall be given by any one of the following officials of DPD: its Commissioner, any Deputy Commissioner or Assistant Commissioner and shall be evidenced by the City's written approval as set forth on the Request for TIF Payment.

h. A written certificate of the Lender's inspecting architect pursuant to the Loan Agreement.

i. The Owner has satisfied all conditions of Article IV and any other relevant provisions of the Loan Agreement and the Escrow Agent has been given written approval of such satisfaction.

j. The Owner has met all requirements under Article VI of the Loan Agreement.

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2. The Title Company shall be in a position to issue a mechanics' lien and pending disbursement endorsement to each Funder's Policy, if any, in form and substance satisfactory to such Funder (the "Endorsement"). The amount shown in such Endorsement shall be the amount of the total disbursement(s) made by such Funder to date, and the effective date thereof shall be the date such Funder's funds are deposited into the Escrow Account.

B. First Disbursement. Prior to the first disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. Where applicable, the Title Company shall have furnished to each Funder Policies covering the recording of each Funder's Mortgage, as applicable, and the Redevelopment Agreement and showing each Funder as the insured under its respective Policy, if any.

2. Transfer of funds from construction Escrow #C220718 dated November 14, 1994 into this Escrow.

3. Disbursement Request #2 approved by the City.

C. Final Disbursement. Prior to the final disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished to the Escrow Agent:

1. A Certificate of Completion in recordable form issued by the City pursuant to Section 7.01 of the Redevelopment Agreement;

2. A Certificate of Occupancy if customarily issued by the City of Chicago, Department of Buildings with respect to any buildings situated on the property and constructed or rehabilitated pursuant to the Redevelopment Agreement;

3. As "as built" survey; and

4. Upon completion of the Project, the Owner shall promptly submit written notice thereof to the Escrow Agent and each Funder and shall cause the Title Company to issue a final Endorsement to each Funder's Policy, if any.

5. Compliance with §6.7 of the Loan Agreement.

V. Escrow Agent. It is understood by the parties hereto and by the General Contractor, who executed this Escrow Agreement to

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evidence its understanding and not as a party hereto, that the following provisions govern the duties of the Escrow Agent hereunder:

A. The Funders, and not the Escrow Agent, pursuant to their respective agreements are responsible for determining the amount of each Funder's deposit requirement for each disbursement. Such amounts and each Funder's agreement thereto shall be evidenced by the written request for disbursement signed by the Owner and each Funder, and the Escrow Agent is entitled to rely thereon, without further inquiry;

B. The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of any sworn statement required hereunder;

C. If at any time the Escrow Agent shall discover a misstatement of a material fact in any request or other notice from the Owner, it shall promptly give notice of such discovery to each Funder and shall thereafter not disburse funds from the Escrow Account until such misstatements shall have been corrected to the satisfaction of each Funder, except as directed pursuant to the joint direction of all Funders;

D. The Escrow Agent will not accept any blanket lien waivers by the General Contractor as to labor performed and/or materials furnished by others. The Escrow Agent will not accept any blanket waiver pre-signed by any subcontractor;

E. While the subcontractors and any suppliers of labor and materials listed on sworn statements are not parties to this Escrow Agreement and have no standing hereunder, the Escrow Agent is authorized to furnish to those persons information which the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to disburse;

F. Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrow Agent for insuring that sufficient funds will be available to pay all costs incurred in completing the Project, or that the Project will be completed. Except with respect to funds for which the Escrow Agent shall have received investment instructions in writing, the Escrow Agent shall be under no duty to invest or reinvest any cash at any time held by it hereunder. All income, if any, derived from any use which the Escrow Agent may make of any deposits hereunder shall belong to the respective depositors;

G. Upon receipt of written notice to the Escrow Agent from any Funder, the Escrow Agent shall transfer to such Funder all amounts previously disbursed by such Funder into the Escrow Account that remain in the Escrow Account;

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H. After payment by the Escrow Agent of the final disbursement hereunder, the Escrow Agent shall disburse any funds then remaining in the Escrow Account to the respective depositor, except that any Equity remaining shall be disbursed only pursuant to the joint direction of all Funders;

I. The Escrow Agent's charges for the services performed and title insurance protection furnished hereunder are the responsibility of the Owner and are to be paid from funds deposited herein, and the Escrow Agent reserves the right to suspend further processing of funds in the Escrow Account until this is done or other arrangements satisfactory to the Escrow Agent have been made; and

J. It is understood by the parties hereto that the requirements listed in this Section V are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VI. General.

A. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth on Exhibit F hereto, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested. 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) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day (as defined below) immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail. "Business Day" as used herein shall mean a day on which banks in the City of Chicago are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State of Illinois or any ordinance or resolution of the City of Chicago.

B. No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part hereof, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns.

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

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D. The Escrow Agent, the Funders and the Owner agree that this Escrow Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than the Escrow Agent, the Funders and the Owner, as a third party beneficiary or otherwise, under any theory of law.

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

F. This Escrow Agreement shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

G. In the event of defaults declared by Lender and/or foreclosure by Lender, the Escrow Agent shall have the right to discontinue further disbursements under this agreement.

The Escrow Agent shall not be responsible for any loss of documents or funds which are not in custody. Documents or funds deposited in the United States mail shall not be construed as being in custody of the Escrow Agent.

Deposits made pursuant to these instructions may be invested on behalf of any party or parties hereto: Provided, that any direction of the Escrow Agent for such investment shall be expressed in writing and contain the consent of all other parties to this escrow, and also provided that the Escrow Agent is in receipt of the taxpayer's identification number and investment forms as required. The Escrow Agent, will upon request furnish information concerning its procedures and fee schedules for investment.

Except as to deposits of funds for which the Escrow Agent has received express written direction concerning investment or other handling, the parties hereto agree that the Escrowee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and further, that the Escrow Agent may commingle such deposit with other deposits or with its own funds in the manner provided for the administration of funds under Section 3 of the Illinois Banking and Finance Act (c. 1, par 155 Ill. Rev. Stat.) and may any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish the Escrow Agent's obligation to apply the full amount of the deposits in accordance with the terms of this Agreement.

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In the event the Escrow Agent is required to invest deposits hereunder, Near North National Title Corporation is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this escrow trust, unless such loss is the result of the negligence or willful misconduct of Near North, in which case the Escrow Agent or Near North shall be liable for the full extent of such loss.

Near North National Title Corporation has no liability to the Owner relating to protection against mechanic lien claims.

H. Once all City Funds have been disbursed, the Escrow Agent shall comply solely with instructions from the Lender.

I. This Escrow Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

J. The Escrow Agent is only bound by the terms of this Escrow Agreement.

K. To the extent that any of Lender's obligations to make deposits into the Escrow Account are inconsistent with the Lender's obligations to disburse under the Loan Agreement, the terms of the Loan Agreement shall prevail.

[The remainder of this page is intentionally left blank.]

Exhibit G

Permitted Liens

Those matters set forth as Schedule B Title Exceptions in Developer's Title Insurance Policy issued by Near North National Title Corporation as of the date hereof, but only so long as applicable title endorsements issued as of the date hereof, if any, continue to remain in full force and effect.

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Project Budget
 ER Habitat Office

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ILMWORKS CONSTRUCTION BUDGET

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DECEMBER, 1994.

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ITEM	TIF	PRIVATE	TOTAL
=====	=====	=====	=====
APPLIANCES	\$0	\$129,369	\$129,369
ASBESTOS REMOVAL	\$29,850	\$0	\$29,850
BALCONIES	\$0	\$205,900	\$205,900
KITCHEN CABINETS	\$0	\$120,700	\$120,700
CARPENTRY/MILLWORK	\$0	\$526,000	\$526,000
CARPET	\$0	\$52,200	\$52,200
CEILING	\$0	\$17,400	\$17,400
CONCRETE-SIDEWALKS/GARAGES	\$70,000	\$50,000	\$120,000
COUNTERTOPS	\$0	\$39,100	\$39,100
DEMOLITION	\$235,000	\$0	\$235,000
DRYWALL/INSULATION	\$150,610	\$566,890	\$717,500
ELECTRICAL	\$50,000	\$385,000	\$435,000
ELEVATOR	\$100,000	\$194,000	\$294,000
EXCAVATION	\$0	\$20,000	\$20,000
EXERCISE EQUIPMENT	\$0	\$10,000	\$10,000
FENCING	\$0	\$16,100	\$16,100
FIRE ALARM SYSTEM	\$0	\$47,000	\$47,000
FIREPLACES	\$0	\$66,100	\$66,100
PORCH AREAS	\$75,000	\$100,000	\$175,000
GARAGE DOORS	\$0	\$12,700	\$12,700

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ITEM		TIF	PRIVATE	TOTAL
=====		====	=====	=====
WINDOWS		\$80,000	\$260,000	\$340,000
WIRE SHELVING		\$0	\$7,500	\$7,500
WOOD FLOORING		\$0	\$287,000	\$287,000
CONTINGENCY		\$100,000	\$253,500	\$353,500
TOTAL SUBCONTRACTORS		\$1,785,000	\$5,489,659	\$7,274,659
GENERAL CONDITIONS	7.00%	\$0	\$509,226	\$509,226
PROFIT/OVERHEAD	5.00%	\$0	\$376,464	\$376,464
TOTAL HARD COSTS		\$1,785,000	\$6,375,349	\$8,160,349
ACQUISITION		\$0	\$3,300,000	\$3,300,000
SOFT COSTS:				
ARCHITECTURAL/ENGINEERING		\$150,000	\$25,000	\$175,000
ADVERTISING		\$0	\$75,000	\$75,000
LEGAL		\$65,000	\$0	\$65,000
FINANCING FEES/INTEREST		\$0	\$410,000	\$410,000
OVERHEAD		\$0	\$150,000	\$150,000
CONTINGENCY		\$60,000	\$140,000	\$200,000
TOTAL SOFT COSTS:		\$275,000	\$800,000	\$1,075,000
TOTAL COST OF PROJECT		\$2,060,000	\$10,475,349	\$12,535,349

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ITEM	TIF	PRIVATE	TOTAL
=====	=====	=====	=====
AS PIPING	\$0	\$85,000	\$85,000
LASS BLOCK	\$0	\$18,100	\$18,100
VAC	\$100,000	\$325,000	\$425,000
LANDSCAPING	\$0	\$12,700	\$12,700
LIGHT FIXTURES	\$0	\$34,800	\$34,800
LIGHTWEIGHT CONCRETE	\$0	\$99,000	\$99,000
LOBBY	\$0	\$50,000	\$50,000
LOW VOLTAGE	\$0	\$48,000	\$48,000
MAILBOXES	\$0	\$4,000	\$4,000
MASONRY -- SANDBLAST/TKPT/OPENINGS	\$325,000	\$0	\$325,000
MASONRY -- NEW	\$50,000	\$50,000	\$100,000
MIRRORS/MEDICINE CABINETS	\$0	\$15,700	\$15,700
PAINTING	\$0	\$252,300	\$252,300
PAVING	\$0	\$25,000	\$25,000
PLASTERING	\$60,000	\$40,000	\$100,000
PLUMBING	\$275,000	\$619,600	\$894,600
ROLLING GATES	\$0	\$19,600	\$19,600
ROOF DECKS/109 DECK	\$0	\$10,000	\$10,000
ROOFING	\$84,540	\$0	\$84,540
SPRINKLER SYSTEM	\$0	\$250,000	\$250,000
STAIRS	\$0	\$8,700	\$8,700
STORAGE LOCKERS	\$0	\$10,000	\$10,000
TOILET/ACCESSORIES	\$0	\$135,700	\$135,700
WASH SYSTEMS	\$0	\$10,000	\$10,000

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Exhibit I

**Owner's Sworn Statement,
including authorized Prior Expenditures**

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EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Form of Opinion to come]

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Exhibit M

Real Estate Provisions.

(a) Governmental Charges. 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 during the time that the Developer [or the Land Trustee, if applicable] holds title to the Property, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option, (i) the Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part

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thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the 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.

(b) Real Estate Taxes.

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

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

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit L.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or by any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project.

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(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19 are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, 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 subject to such covenants and restrictions.

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer shall at all times provide, maintain and keep in force the following insurance:

(i) All Risk Property Insurance

- (A) Developer shall obtain All Risk Property insurance in the amount of the full replacement value of the Developer's property located in the Redevelopment Area, including but not limited to the Property.
- (B) Post-construction, the Developer shall obtain an All Risk Property policy, including improvements and betterments in the amount of full replacement value of the Developer's property located in the Redevelopment Area, including but not limited to the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

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PARCEL 1:

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THE SOUTH 19 1/2 FEET OF LOT 19 (EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 5 1/2 FEET OF LOT 20 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF THE LAST WILL OF ELIZA GARRETT OF A TRACT OF LAND IN THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 18.5 FEET OF LOT 20 (EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 6 FEET OF LOT 21 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTH WEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 21 (EXCEPT THE NORTH 6 FEET AND EXCEPT THE WEST 25 FEET THEREOF) AND THE NORTH 4 FEET OF LOT 22 (EXCEPT THE WEST 25 FEET THEREOF) ALL IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTH WEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THE NORTH 26 FEET OF LOT 22 (EXCEPT THE NORTH 4 FEET THEREOF AND EXCEPT THE WEST 25 FEET THEREOF) ALL IN BLOCK 1 IN THE SUBDIVISION BY THE EXECUTORS OF ELIZA GARRETT OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

AND

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING ON THE WEST LINE OF WABASH AVENUE AT A POINT 972 1/3 FEET SOUTH OF THE NORTH LINE OF SAID FRACTIONAL QUARTER SECTION, THENCE NORTH ALONG THE WEST LINE OF WABASH AVENUE 47 FEET; THENCE WEST 170 FEET 8 INCHES TO THE EAST LINE OF THE ALLEY LYING BETWEEN WABASH AVENUE AND STATE STREET; THENCE SOUTH ALONG THE EAST LINE OF SAID 47 FEET; THENCE EAST 170 FEET 8 INCHES TO THE PLACE OF BEGINNING (EXCEPT THAT PORTION OF SAID PREMISES HERETOFORE CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY), IN COOK COUNTY, ILLINOIS.

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PARCEL 5:

LOT 3 (EXCEPT THE WEST 25 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF LOT 1 IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 4 AND 5 (EXCEPT THE WEST 25 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF LOT 1 IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THE NORTH 30 FEET OF LOT 2 (EXCEPT THE WEST 25 FEET THEREOF) IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

LOT 2 (EXCEPT THE NORTH 30 FEET AND EXCEPT THE WEST 25 FEET) AND LOTS 3 AND 4 (EXCEPT FROM SAID LOTS THE WEST 25 FEET THEREOF) IN BLOCK 10 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOT 36 (EXCEPT THE WEST 25 FEET CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY BY WARRANTY DEED DATED FEBRUARY 28, 1891 AND RECORDED MARCH 14, 1891 AS DOCUMENT NUMBER 1433370) IN HARRINGTON'S ADDITION IN BLOCK 17 IN ASSESSOR'S DIVISION IN SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX NUMBERS 17-22-103-017 (PARCEL 1), 17-22-103-018 (PARCEL 2), 17-22-103-019 (PARCEL 3), 17-22-103-020 (PART OF PARCEL 4), 17-22-103-021 (PART OF PARCEL 4), 17-22-103-022 (PART OF PARCEL 5), 17-22-103-023 (PART OF PARCEL 5), 17-22-103-024 (LOT 4 IN PARCEL 6), 17-22-103-025 (LOT 5 IN PARCEL 6 AND THE NORTH PART OF LOT 2 IN PARCEL 7), 17-22-103-026 (AFFECTS THE REMAINDER OF PARCEL 7), 17-22-103-027 (AFFECTS LOT 2 (EXCEPT THE NORTH 30 FEET AND THE WEST 35 FEET) AND THE NORTH 5 FEET OF LOT 3 (EXCEPT THE WEST 35 FEET OF PARCEL 8)), 17-22-103-028 (AFFECT LOT 3 (EXCEPT THE NORTH 5 AND EXCEPT THE WEST 35 FEET OF PARCEL 8) AND NORTH 5 FEET OF LOT 4 (EXCEPT THE WEST 35 FEET OF PARCEL 8)), 17-22-103-029 AND 17-22-103-030 (AFFECTS LOT 4 (EXCEPT THE NORTH 5 FEET AND WEST 35 FEET OF PARCEL 8)), 17-22-103-031 (PARCEL 9), VOLUME 512.

1318-1352 South Wabash
Chicago, Illinois

04081891

NEAR SOUTH

**TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

**(FORMERLY REFERRED TO AS
AMENDED CENTRAL STATION AREA
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN)**

EXHIBIT
(D)

04081891

**CITY OF CHICAGO
Richard M. Daley, Mayor**

May 24, 1994

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1
INTRODUCTION

Chicago's future and its continuing role as a world class city depends on its ability to build upon its strong assets while overcoming the threats and/or concerns relating to its future stability. Among Chicago's assets are: its beautiful lakefront setting; its magnificent system of parks, including Grant and Burnham parks; its viable business center; its many institutions, museums, universities and art galleries; the North Michigan Avenue shopping facilities; McCormick Place and Navy Pier; and its extensive neighborhood and community based cultural and economic organizations.

There are real problems which threaten Chicago. These problems include, but are not limited to, a pattern of out-migration by both major and minor corporations to the suburbs and to other states; a loss of convention business to other cities and other countries; the perception of a high incidence of crime; imbalances in public transportation services within the greater central area which continues to expand outward from the historic "Loop" business district; aging infrastructure; and the need to revitalize deteriorating, underutilized and undeveloped areas of the City.

The City of Chicago, working with the State of Illinois, has initiated bold steps in an effort to overcome some of the aforementioned problems, including programs to improve Chicago's educational system so students will be able to find meaningful employment after graduation. Within the greater central area additional steps have been taken, including the creation of the Metropolitan Pier and Exposition Authority, with Navy Pier improvements and an active effort directed toward expansion of the McCormick Place complex. Additional funding is being pursued by the City for planning and design of the Central Area Transit Circulator system (light rail transit system) to improve internal distribution and travel movements. A major redesign of the State Street Mall is planned, which, in conjunction with the new Harold Washington Library and other private developments along State Street will help revitalize this area.

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Although the downtown and north and west sides of the central area have experienced dynamic new growth in office, hotel, entertainment and residential development, the Near South area generally south of Roosevelt Road and east of Michigan Avenue continues to decline. The Near South section of the greater central area is in significant need of revitalization and redevelopment. Recent studies have verified that the majority of the properties from 12th Street to 16th Street, and from Michigan Avenue to Indiana Avenue are characterized by deterioration and obsolescence and the area east of Indiana Avenue contains abandoned railroad yards which remain undeveloped.

The City of Chicago has long been aware of the redevelopment potential of the entire area. In 1919, the City Council adopted an ordinance which mandated the implementation of Daniel Burnham's 1909 plan for the area. More recent planning efforts which singled out the near south area include the

1972 Lakefront Plan and the 1973 Chicago 21 Plan. The plans put forth recommendations for the near south similar to those proposed in this redevelopment plan such as the extension of Roosevelt Road and various public transit improvements. In 1986, the Department of Planning prepared a special Near South Development Plan. The plan recognized the unique assets of the area and its potential to link the lakeshore and museum campus with a revitalized Near South neighborhood. The plan recommended roadway extensions at Roosevelt Road, 16th Street, and McFetridge Avenue.

In general, the plan called for business development which would create jobs in the area, residential development to stabilize the area and cultural and recreational improvements as well.

However, despite the existence of such ordinances and plans, the Central Station Area Redevelopment Project Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Tax Increment Financing Redevelopment Project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the south loop area except in those areas in which the City has made a substantial investment of public funds.

The City now has a very real opportunity to serve as a catalyst for the development of the Redevelopment Project Area, and has already begun taking steps in that direction. On March 1, 1990, the Chicago Plan Commission approved the Central Station Guidelines for Development (the "Central Station Guidelines") for an aggressive and comprehensive development of mostly vacant land located generally within the eastern portion of the Redevelopment Project Area. On April 6, 1990, the City Council approved the Central Station Planned Development Amendment to the Chicago Zoning Ordinance (the "Central Station Plan of Development") for parts of the land covered by the Guidelines. With the City's assistance and guidance, development of this portion of the Redevelopment Project Area will open the lakeshore to previously isolated neighborhoods, and will spearhead increased housing and business opportunities not only in the Redevelopment Project Area, but also within the near south loop area as a whole. The City must take an additional step to accomplish its development goals for the Redevelopment Project Area -- the City must adopt Tax Increment Financing to attract the private investment that is needed within the Redevelopment Project Area.

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Tax Increment Financing

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act* (hereinafter referred to as the "Act.") The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq. as amended. The Act provides a means for municipalities after the approval of a "redevelopment plan and project" to redevelop "blighted," "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results

in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax Increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The Central Station Area Tax Increment Redevelopment Plan and Project

This Central Station Area Tax Increment Redevelopment Plan and Project (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the blighting factors which qualify the Redevelopment Project Area for designation as a blighted area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents one of the most important economic opportunities available for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state. At the same time, the long-standing objective to complete a southern edge to Grant Park can be accomplished. The museum campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

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For the first time, direct linkage between the lakefront and the area south of Roosevelt Road can be planned and provided. The extraordinarily important McCormick Place facility can be expanded and integrated into the downtown area. The Redevelopment Project Area provides the vital connection for the museum campus and McCormick Place with the rest of the city.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is one of the largest of its kind in the United States, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for the rebuilding of the area with private capital.

Public and private investment is possible only if tax increment financing is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions of blight that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the city of Chicago will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which encompass the Near South Side in the form of a significantly expanded tax base, employment opportunities and a wide range of other benefits.

04024894

Amendment - April 1994

Section 1, *Introduction*, is amended to include the following additional statements:

During the process of implementing the Central Station Area Redevelopment Project and Plan (the "Original Redevelopment Project and Plan"), it has become evident that changes in the boundaries of the Redevelopment Project Area (the "Original Redevelopment Project Area"), and in the development program are necessary in order to facilitate achievement of the purpose and objectives of the Original Redevelopment Project and Plan as adopted on November 28, 1990. The area to be added to the original Redevelopment Project Area is referred to as the "Amended Area" and is

generally bounded by Congress Parkway on the north; Michigan Avenue, Indiana Avenue and Calumet Avenue on the east; the Michigan-Cermak Redevelopment Tax Increment Financing Project on the south; and State Street on the west. The "Original Redevelopment Project area" together with the "Amended Area" is renamed and hereinafter referred to as the "Near South Redevelopment Project Area." The Near South Redevelopment Project Area is geographically illustrated in Figure, 1, *Boundary Map*.

The Amended Area consists of approximately 248.4 acres, encompassing thirty-eight full and partial city blocks, and various street and alley rights-of-way. This area contains vacant land, vacant and deteriorating buildings, numerous older and obsolete commercial and industrial buildings, underutilized sites and streets, sidewalks and alleys in a deteriorating condition.

This Amended Area is found to be eligible for designation as a "Blighted Area" pursuant to the definition contained within the *Tax Increment Allocation Redevelopment Act* of the State of Illinois, as supplemented and amended from time to time (the "Act"), to overcome conditions of blight and obsolescence and to improve the economic and physical well-being of the City.

The Amended Area initially developed without the benefit or guidance of overall community planning. The inclusion of the Amended Area is necessary to stimulate redevelopment of certain properties as well as make certain public infrastructure improvements to create and sustain a positive environment for private investment, thereby preventing the decline of properties within this area which may impair the growth of the tax base of taxing districts having taxing jurisdiction over the Amended Area.

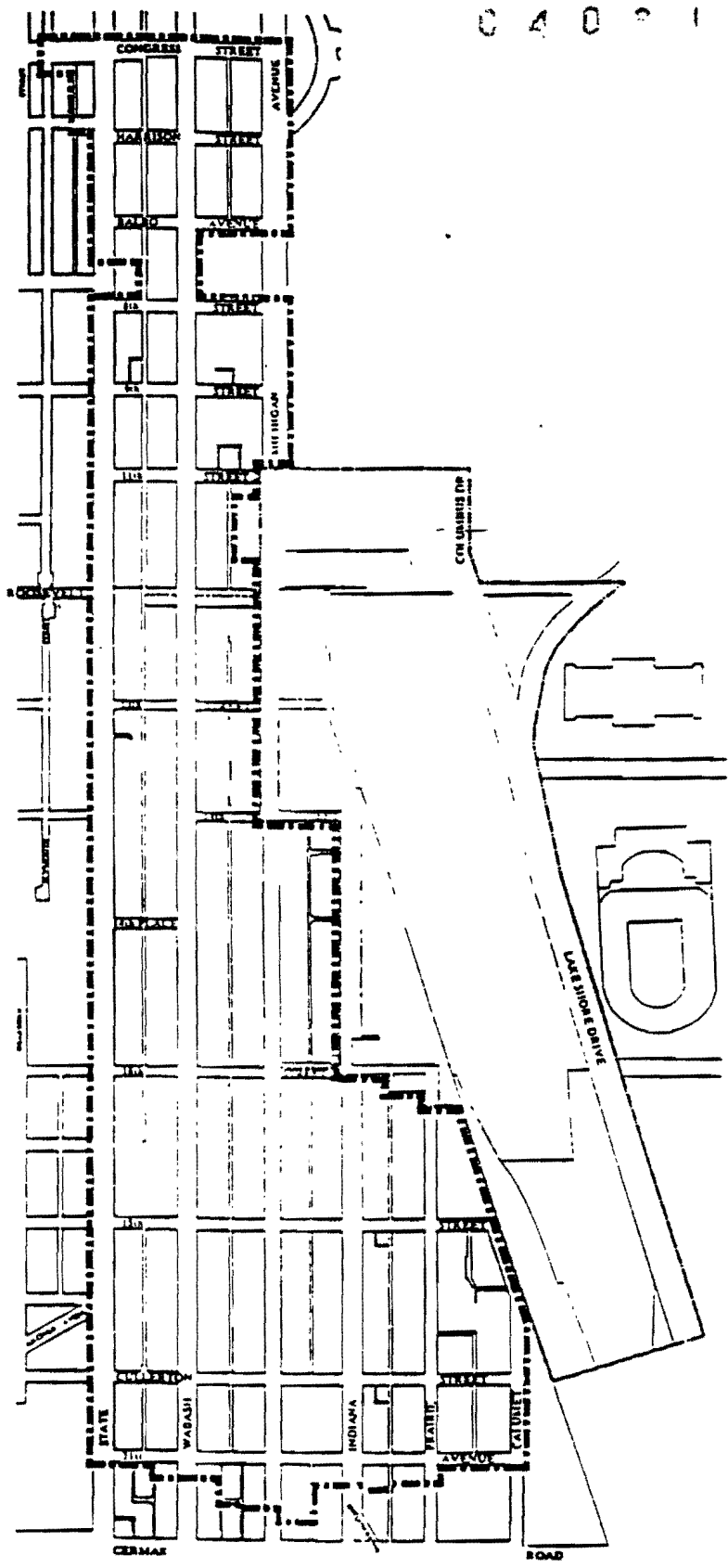
The addition of the Amended Area to the Redevelopment Project Area will permit improved coordination of redevelopment/revitalization projects and related public infrastructure improvements for all projects within the Redevelopment Project Area. The Amended Area is physically and functionally related to other properties within the Redevelopment Project Area and will be substantially benefitted by the redevelopment project actions and improvements. The Amended Area functions as part of the greater Central Station Area which is included in the Original Redevelopment Project Area.

Timely and coordinated public and private investment within the Amended Area will be possible only if tax increment financing is adopted pursuant to the Act. The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the Redevelopment Project.

Figure 1, *Project Boundary Map*, is revised to include the amended area.

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AMENDED REDEVELOPMENT PROJECT AREA
 ORIGINAL REDEVELOPMENT PROJECT AREA

Figure 1
PROJECT BOUNDARY
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois

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2

REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Near South Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, *Boundary Map*, and more particularly described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS.

BEGINNING ON THE WEST LINE OF S. MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF E. 11TH STREET, AND RUNNING

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF E. 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF S. COLUMBUS DRIVE,

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF E. ROOSEVELT ROAD,

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE E. 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET

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REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Near South Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, *Boundary Map*, and more particularly described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF S. MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF E. 11TH STREET, AND RUNNING

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF E. 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF S. COLUMBUS DRIVE;

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF E. ROOSEVELT ROAD;

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE E. 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET

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VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E. L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF S. PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID.

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

04081891

Amendment - April 1994

Section 2. *Redevelopment Project Area Description* is amended to include the following legal description of the Amended Area:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21 AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL

VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E. L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF S. PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF E. 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF E. 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF S. MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF S. MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

04081891

Amendment - April 1994

Section 2, *Redevelopment Project Area Description*, is amended to include the following legal description of the Amended Area:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15,16,21 AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL

MERIDIAN IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET:

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE.

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE.

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY.

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET.

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY.

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT.

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD

040010

MERIDIAN IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET:

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY;

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD

01001691

EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L. & I. HARMON'S SUBDIVISION OF BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET.

THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15.

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET.

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21ST STREET.

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

040210

EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L.& I. HARMON'S SUBDIVISION OF BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET;

THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET;

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

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THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 TO THE EAST LINE OF SOUTH WABASH AVENUE (SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27.

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27.

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH

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THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 TO THE EAST LINE OF SOUTH WABASH AVENUE (SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH

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INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25;

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD,

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID;

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INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25;

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4,5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1,2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID;

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THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO.

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

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THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

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3

REDEVELOPMENT PROJECT AREA GOALS AND POLICIES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

General Goals

- Provide infrastructure improvements within the Redevelopment Project Area.
- Encourage commercial and industrial development by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to establish it as an important activity center contributing to the regional and national focus of the central business district.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- Provide an increased sales tax basis for the City of Chicago, the State of Illinois and other taxing districts extending into the Redevelopment Project Area.

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Policies

- **Encourage a mixture of uses and scales of development that provide a transition from higher densities found in the Loop to the lower densities of the Near South Side.**
- **Expand the residential population of the Near South Side and encourage housing types that accommodate a diverse economic and social mix of residents.**
- **Provide better access between the South and Near South Sides and the downtown and lakefront through creation of better and more frequent east-west and north-south links.**
- **Extend the public features of Chicago's historic boulevard system along Michigan and Indiana Avenues.**
- **Accommodate the reconstruction of Lake Shore Drive as a two-way parkway on the west side of the Field Museum, with an ample landscaped edge.**
- **Design an internal street network that is clear, direct, and easily accessible to the public.**
- **Design a street and block plan which integrates the Near South Side with the lakefront.**
- **Complete the south end of Grant Park.**
- **Apply the policies of the *Lakefront Plan of Chicago*.**
- **Provide formal open spaces that relate to Grant Park and Burnham Park and are connected by the pedestrian street network.**
- **Provide sufficient parks and recreational areas related to the needs of new Near South Side residents.**
- **Promote a quality, attractive environment compatible with the museum complex in Burnham Park, provide greater access to Burnham Park from downtown and the community to the west, and enhance the park setting of the museums.**
- **Present active and appropriately designed edges to the communities on all sides, especially towards Grant Park, Lake Shore Drive, and Michigan Avenue.**
- **Respect the prominent architectural quality of the museum complex in Burnham Park and the Michigan Avenue streetwalls.**

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- **Enhance the Prairie Avenue Historic District by improving the accessibility and image of the surrounding community and by creating connections between the District and the Burnham Park museum complex.**
- **Protect and frame important views and vistas through the site.**
- **Encourage active, landscaped pedestrian-oriented streets.**
- **Encourage a predominant use of public transportation and improve public transportation services to the Central Station site and the surrounding community.**
- **Promote the development of a Central Area Transit Circulator system connecting the downtown with McCormick Place and the Museums.**
- **Provide adequate facilities for circulation within and through the site for pedestrians, public transit, and private vehicles.**
- **Promote development which employs the most efficient use of energy resources.**
- **Ensure provision of associated parks, open spaces and public facilities on a schedule coordinated with the pace of private development.**
- **Promote the design and construction of public infrastructure which encourages quality development.**
- **Give funding and scheduling priority to improvements which provide the greatest benefit to the general public.**

Amendment - April 1994

Section 3, *Redevelopment Project Area Goals and Policies*, is amended to include the following additional policies:

- **Maintain the Michigan Avenue "streetwall" by encouraging infill developments that are compatible with the architectural character and heights of existing structures.**
- **Encourage the rehabilitation or conversion of vacant buildings into residential, commercial and arts/cultural space within the Prairie Avenue area. Support the concept of the Arts District as a catalyst for future mixed-use developments.**

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4

**BLIGHTED AREA CONDITIONS EXISTING
IN THE REDEVELOPMENT PROJECT AREA**

The Redevelopment Project Area includes improved areas and vacant areas as defined in the Act.

Within the improved portion of the area it must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare. Based upon surveys, inspections and analysis of the area, the Redevelopment Project Area qualifies for designation as a "blighted area" as defined by the Act.

- Of the fourteen factors set forth in the Act for improved areas, ten are present in the area.

Within the vacant portion of the area it must be demonstrated that the sound growth of the taxing districts is impaired by at least one of the seven factors described in the Act.

- The vacant land area qualifies for designation as a "blighted area" on the basis that the area consists of unused railyards, rail tracks or railroad rights-of-way.

The factors present are reasonably distributed throughout the area.

All blocks within the area show the presence of blight factors.

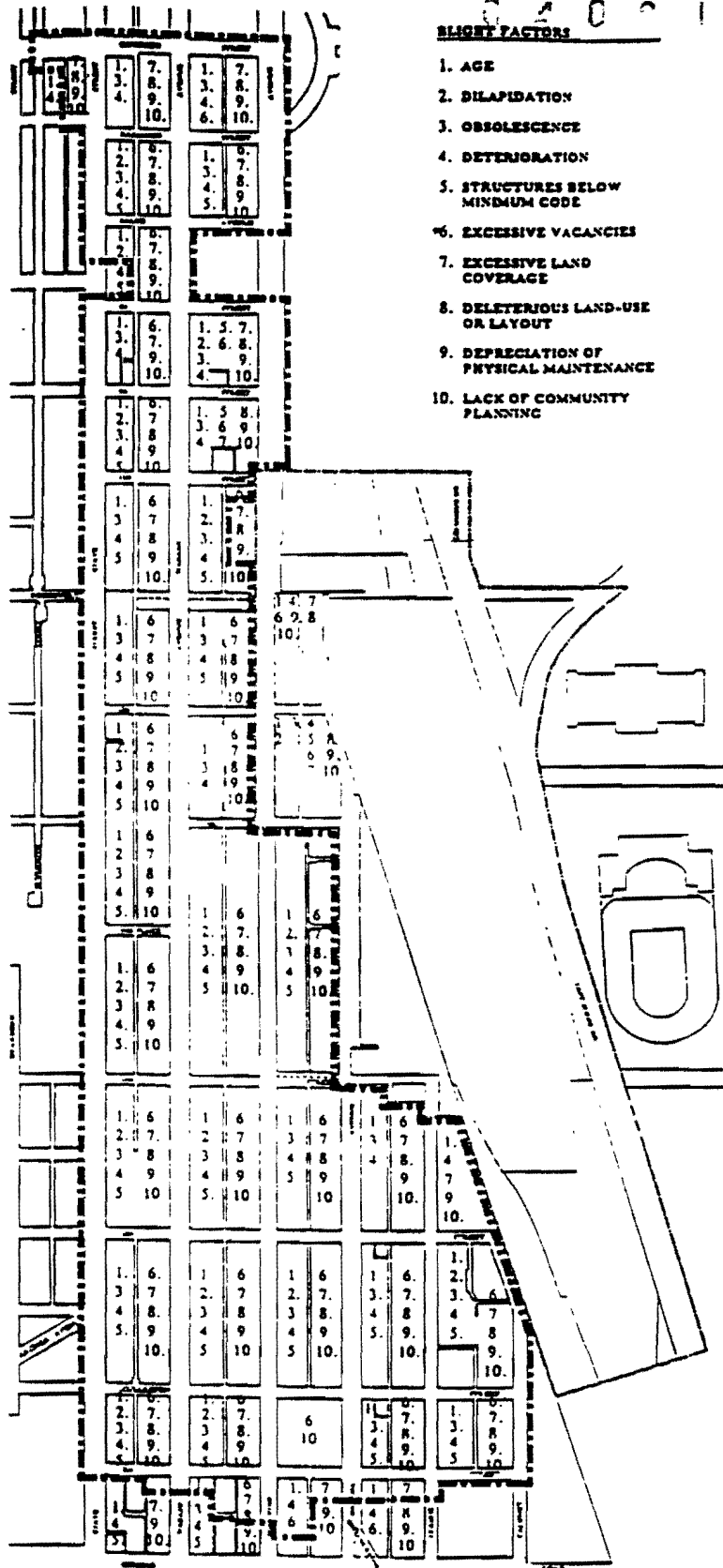
The Redevelopment Project Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

A separate report titled Central Station Area Redevelopment Project - TIF Area Eligibility Report describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The factors listed below and shown in Figure 2, *Summary of Blight Factors*, are present in the Redevelopment Project Area.

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BLIGHT FACTORS

1. AGE
2. DILAPIDATION
3. OBSOLESCENCE
4. DETERIORATION
5. STRUCTURES BELOW MINIMUM CODE
6. EXCESSIVE VACANCIES
7. EXCESSIVE LAND COVERAGE
8. DELETERIOUS LAND-USE OR LAYOUT
9. DEPRECIATION OF PHYSICAL MAINTENANCE
10. LACK OF COMMUNITY PLANNING



----- AMENDED REDEVELOPMENT PROJECT AREA

———— ORIGINAL REDEVELOPMENT PROJECT AREA

Figure 2
SUMMARY OF BLIGHT FACTORS
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois

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Improved Area Factors

The improved area includes all of the blocks located west of Indiana Avenue and the railroad property currently operated by Metra and located along the eastern edge of the project area, adjacent to Lake Shore Drive.

1. **Age**
Age as a factor is present to a major extent throughout the improved blocks. Of the 17 total buildings in the improved area, 16 (94 percent) are 35 years of age or older.
2. **Dilapidation**
Dilapidation as a factor is present to a major extent in one block, and to a limited extent in one block. Dilapidation includes 4 buildings that are in a structurally sub-standard condition.
3. **Obsolescence**
Obsolescence as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include obsolete buildings and obsolete platting. Eight buildings are characterized by obsolescence, of which 3 are vacant and 3 are partially vacant.
4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, sidewalks and the Indiana Avenue viaduct. Thirteen of the 17 buildings are characterized by deterioration.
5. **Existence of Structures Below Minimum Code**
Existence of structures below minimum code standards is present to a major extent in one block and to a limited extent in one block. Structures below minimum code include all structures in deteriorating or dilapidated condition which are below the City's code standards for existing buildings.
6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in one block and to a limited extent in one block. Three buildings contain vacant floors and 3 buildings are entirely vacant.
7. **Excessive Land Coverage**
Excessive land coverage as a factor is present to a major extent in one block of the area. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. A total of 12 building sites are impacted by this factor.
8. **Deleterious Land-Use or Layout**

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Deleterious land-use or layout is present to a major extent in two of the 3 blocks of the improved area. Conditions contributing to this factor include parcels of limited size. Twenty-six of the parcels within the Redevelopment Project Area exhibit this factor.

9. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent throughout the improved area. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and one viaduct.

10. **Lack of Community**

Lack of community planning is present to a major extent throughout the improved area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading.

Vacant Area Factors

The vacant land area is located east of Indiana Avenue from 11th Place to approximately 16th Street, and west of the railroad property used for the Illinois Central METRA commuter service. This vacant area consists of unused railyards, rail tracks or railroad rights-of-way. It is the former location of active rail lines and numerous railroad-related uses, including an office building, passenger terminal, train sheds, round houses, machine shops, baggage room, power house and miscellaneous support buildings. All of the buildings and tracks have been abandoned and the buildings demolished.

Amendment - April 1994

Section 4. *Blighted Area Conditions Existing In the Redevelopment Project Area*, is amended to add the following description of blighted conditions in the Amended Area:

The purpose of this section is to describe the conditions that exist within the Amended Area which qualify the Amended Area for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (The "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74 4-1 *et. seq.*, as amended.

A report entitled *Tax Increment Redevelopment Project Eligibility Report for the Central Station Area* was prepared for the City of Chicago in July, 1990 by Trkla, Pettigrew, Allen & Payne, Inc. Studies and analyses completed in 1990, and documented as part of the Eligibility Report, provided the basis for a finding by the City of Chicago that the Original Redevelopment Project Area of approximately 127 acres qualified for designation as a "blighted area" as defined in the Act.

The Amended Area contains approximately 248.4 acres, including approximately 92.6 acres of street and alley rights-of-way, and approximately 155.9 acres of parcels within 38 blocks located in the

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Amended Area. The Amended Area is located immediately west of the Original Redevelopment Project Area, and is generally bounded on the north by Congress Parkway, on the south by 21st Street, on the west by State Street, and on the east by Michigan Avenue (between Congress Parkway and 14th Street), Indiana Avenue (between 14th and 16th Streets), and the Illinois Central Railroad right-of-way (between 16th and Cullerton Streets).

The Amended Area is an improved area for the purpose of determining eligibility as defined in the Act. Within an improved area it must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare.

While it may be concluded that the mere presence of the minimum number of stated factors is sufficient to make a finding of blight, the following evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of their proximity to areas which are blighted.

On the basis of this approach, all or any part of the Amended Area is found to be eligible within the definition set forth in the Act. Specifically:

- Of the fourteen factors set forth in the Act for improved areas, ten are present in the Amended Area.
- The blight factors which are present are reasonably distributed throughout the Amended Area.
- All blocks within the Amended Area show the presence of blight factors.
- The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The blight factors present in the Amended Area are indicated below. It should be noted that the definitions of blight factors listed below are the same as set forth in the *Central Station Tax Increment Redevelopment Project Eligibility Report* prepared in July 1990 by TPAP for the purpose of determining the eligibility of the Original Redevelopment Project Area.

The following blighting factors are present in the Amended Area:

1. **Age**
Age as a factor is present to a major extent. Fifty percent or more of the buildings are 35 years of age or older in 34 of the 38 blocks that comprise the Amended Area.
2. **Dilapidation**
Dilapidation is present to a limited extent. Of 297 buildings within the Amended Area, 25 or 8.4 percent are dilapidated.

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- 3. **Obsolescence**
Obsolescence as a factor is present to a major extent. Characteristics include obsolete platting, obsolete parcels and obsolete buildings.
- 4. **Deterioration**
Deterioration as a factor is present to a major extent throughout the Amended Area. Contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas, and deteriorating street surfaces, curbs, gutters and alleys. Of the total 297 buildings, 213, or 72 percent, evidence varying degrees of deterioration.
- 5. **Existence of Structures Below Minimum Code**
Existence of structures below minimum code standards is present to a moderate extent. Advanced defects in thirty percent of the buildings are below the City's maintenance and other codes for existing buildings.
- 6. **Excessive Vacancies**
Excessive vacancies as a factor is present to a major extent in twenty-one blocks and to a moderate extent in eleven of the thirty-eight blocks.
- 7. **Excessive Land Coverage**
Excessive land coverage is present to a major extent affecting close to 79 percent of the buildings within the Amended Area.
- 8. **Deleterious Land-Use or Layout**
Deleterious land-use or layout is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of limited narrow size, parcels of irregular shape and incompatible uses.
- 9. **Depreciation of Physical Maintenance**
Depreciation of physical maintenance is present to a major extent. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and surface storage areas, and site improvements, including streets, alleys, curbs and sidewalks.
- 10. **Lack of Community Planning**
Lack of community planning is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, the existence

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of incompatible or mixed land-uses and the lack of reasonable development controls for building setbacks and off-street parking. Additionally, the Amended Area developed without the benefit of community planning guidelines and standards.

Figure 2, *Distribution of Blight Factors by Block*, is revised to include the Amended Area.

The analysis above is based upon data assembled by representatives of the City and surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

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NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the overall program to be undertaken by the City of Chicago or by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this Redevelopment Plan, *Blighted Area Conditions Existing in the Redevelopment Project Area*, describes existing blighting conditions.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design.

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- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts.
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.
- Implement and achieve the Redevelopment Project Area Goals and Policies as set forth in Section 3 of this Redevelopment Plan.

Redevelopment Plan and Project Activities

The City proposes to achieve its redevelopment goals, policies and objectives for the Redevelopment Project through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

1. Property Acquisition, Site Preparation, Demolition and Relocation

Property acquisition and land assembly by private sector for redevelopment in accordance with this Redevelopment Plan will be encouraged. To achieve the renewal of the Redevelopment Project Area, property identified in *Development Program*, Figure 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the goals, policies or objectives of this Redevelopment Plan property may be acquired where: a) the current use of the property is not permitted under this Redevelopment Plan; b) the exclusion of the property from acquisition would have a detrimental effect on the disposition and development of adjacent and nearby property; or c) the owner or owners are unwilling or unable to conform the property to the land-use and development objectives of this Redevelopment Plan. Further, the City may require written redevelopment agreements with developers before acquiring any properties.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

Active businesses and other occupants that are displaced by the public acquisition of property will be relocated and may be provided with assistance payments and advisory services.

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As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

Acquisition activities include acquisition of property (1) to accommodate the realignment of Lake Shore Drive and to make improvements to other thoroughfares (2) to permit the more efficient construction of infrastructure over the METRA tracks, (3) to provide a site for a district heating/cooling plant, if appropriate, and (4) to provide for additional property acquisition in support of private development proposals. Further, demolition of structures (including railroad structures) and protection/relocation of existing utilities and freight tunnels is contemplated. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

2. **Provision of Public Improvements**

Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to the following:

a. **Roadways, and Related Improvements**

A range of individual roadway improvement projects from repair and resurfacing through construction of new roads on structures in air rights will be undertaken. Public sewers, water lines, and City electrical service for lighting and signals are to be upgraded or installed new in each improved roadway segment as needed. The complexities and constraints associated with roadway construction in air rights over an operating railroad have been taken into account in estimating costs. The principal roadways affected are Columbus Drive, Roosevelt Road, Indiana Avenue, 13th Street, 14th Street, 15th Street, as well as segments of other streets. Virtually all of these improvements are anticipated in the *Central Station Guidelines*.

b. **Special Utility Improvement**

Construction of a substantial storm sewer is planned for a 16th Street alignment to extend from Lake Shore Drive west through the Redevelopment Project Area to the Chicago River. This sewer will provide relief to the combined sewer system serving the area, reduce or eliminate flooding in the area, and will have capacity to drain storm water on Lake Shore Drive in the vicinity of the Redevelopment Project Area.

c. **Parks and Open Space**

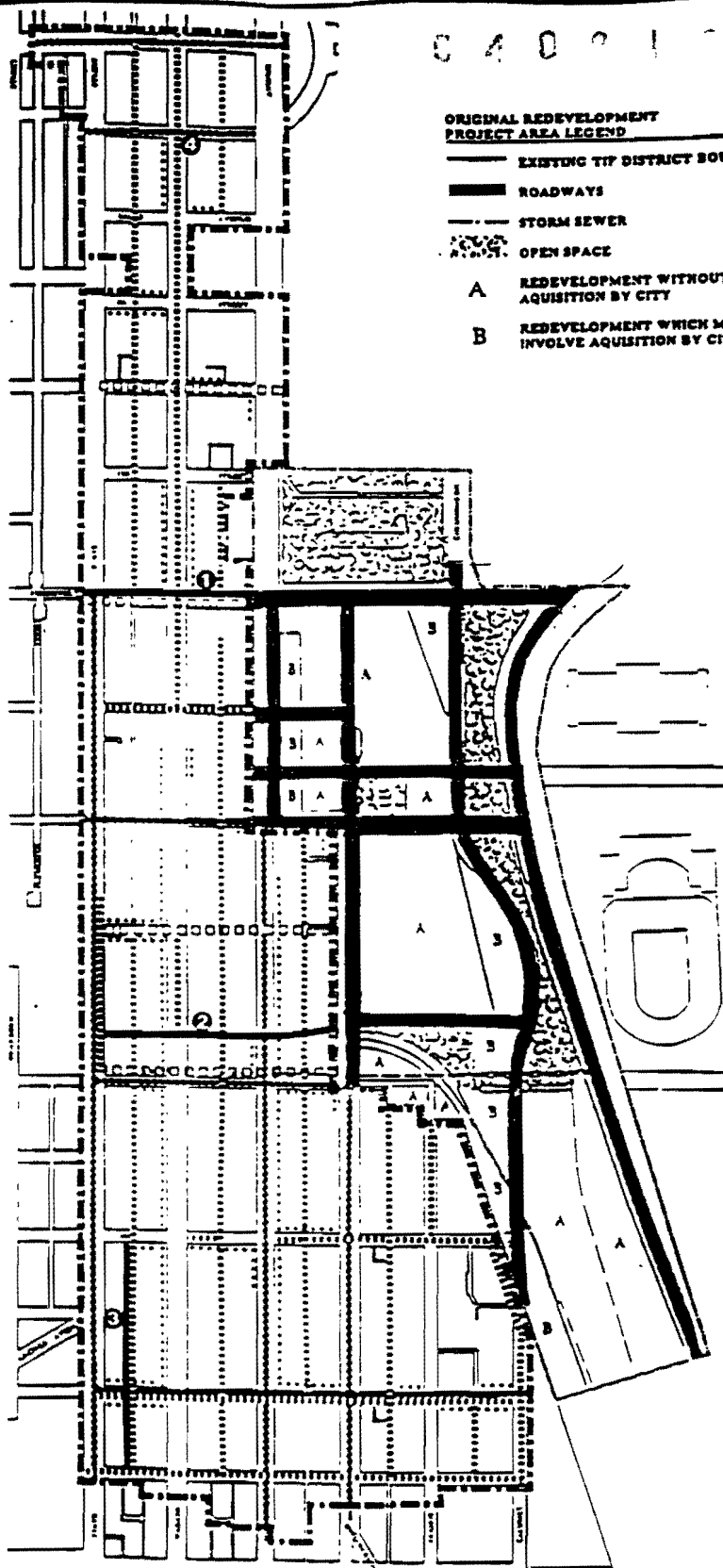
Construction of both parks and open spaces will be undertaken. McFetridge Park at 14th/Indiana, and a portion of the addition to Grant Park on the north side of Roosevelt will be built. These improvements are anticipated in the *Central Station Guidelines*.

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ORIGINAL REDEVELOPMENT PROJECT AREA LEGEND

- EXISTING TIP DISTRICT BOUNDARY
- ROADWAYS
- STORM SEWER
- OPEN SPACE
- A REDEVELOPMENT WITHOUT ACQUISITION BY CITY
- B REDEVELOPMENT WHICH MAY INVOLVE ACQUISITION BY CITY



AMENDED REDEVELOPMENT PROJECT AREA LEGEND

- AMENDED TIP DISTRICT BOUNDARY
- STREETSCAPE IMPROVEMENTS
- STREET / ALLEY REPAVING
- SIDEWALK & CURB RECONSTRUCTION
- PEDESTRIAN WALKWAY
- ① RECONSTRUCTION OF ROOSEVELT ROAD
- ② RE-ROUTE ST CHARLES AIRWAY & RETAIN R.O.W FOR GREENWAY CONNECTION RIVER TO LAKE
- ③ RENOV GREEN LINE SOUTH OF 15TH STREET
- ④ RE-OPEN THE POLK ST. EXIT OF THE STATE ST. SUBWAY

Figure 3
**DEVELOPMENT PROGRAM
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT**
 City of Chicago, Illinois

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3. Job Training and Related Educational Programs

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Redevelopment Project Area will be implemented. This will be particularly important in conjunction with development of international trade operations and related services.

4. Analysis, Administration, Studies, Surveys, Legal, et al.

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

5. Redevelopment Agreements

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in this Redevelopment Plan.

Amendment - April 1994

Redevelopment Plan and Project Activities contained in Section 5 is amended to add the following:

Redevelopment Project and Plan activities are expanded to include: resurfacing or reconstruction of all existing street pavement which is currently in a deteriorating condition; repair or reconstruction of all deteriorating curbs and gutters; replacement or reconstruction of sidewalks as part of a comprehensive streetscape/pedestrian walkway system for major parts of the amended area; coordination and implementation of transit station and structure improvements with other public and private improvement projects, rehabilitation of existing buildings, and allowance for interest cost incurred by redevelopers as provided for in the Act.

Figure 3, *Development Program*, is revised to illustrate the range of actions and improvements proposed for the Amended Area.

General Land-Use Plan

Amendment - April 1994

The *General Land-Use Plan* contained in Section 5 is amended to include the following maps, and revised and added statements:

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Figure 4, *Land-Use Plan*, contained in the Original Redevelopment Project and Plan is revised to include two figures: Figure 4A, *Land Use Plan*, and Figure 4B, *Sub-Area Land-Use Plan*.

Figure 4A, *Land-Use Plan*, identifies the major land-use category to be in effect upon adoption of this amended Redevelopment Project and Plan, which is Mixed-Use. The Mixed-Use category includes the provision for commercial, residential, retail, institutional, exhibition, parking and related uses. Also shown in 4A are the locations of major thoroughfares and street rights-of-way, the locations of which are subject to modification by the City.

Figure 4B, *Sub Area Land-Use Plan*, illustrates the recommended predominant use for the nine subareas identified, and provides a guide for future land-use developments and related improvements within the Redevelopment Project Area. Described below are the predominant uses to be included in each subarea.

Subarea 1

Subarea 1 should continue to accommodate office, institutional, retail and services uses which characterize the adjacent Loop area to the north. Restaurants, professional theaters and related business and service uses are encouraged to support existing uses in subareas 2 and 3.

Subarea 2

The predominant use of this subarea should remain hotel and institutional. The City should encourage continued business and institutional uses such as the Chicago Hilton and Towers, the Spertus Museum, Columbia College and Blackstone Theater. Redevelopment should respect the historic character of the Michigan Avenue streetwall.

Subarea 3

The predominant use of this subarea should be residential with accessory retail. This subarea should allow for high-density residential buildings consistent with recently constructed and rehabilitated buildings such as 2 East 8th, Burnham Plaza and 1130 South Michigan. Within this subarea, new development along Michigan Avenue should respect the historic character of the Michigan Avenue streetwall.

Subarea 4

Community shopping uses (grocery store, drug store, etc.) should be encouraged in subarea 4 to serve the expanding neighborhoods of Dearborn Park I and II, Central Station and various free-standing and converted loft residential buildings. Development should be centered near the intersection of State Street and Roosevelt Road, the CTA subway and elevated stations, and the proposed Central Area Circulator station. Convenience businesses to serve foot traffic from the transit stations should also be encouraged.

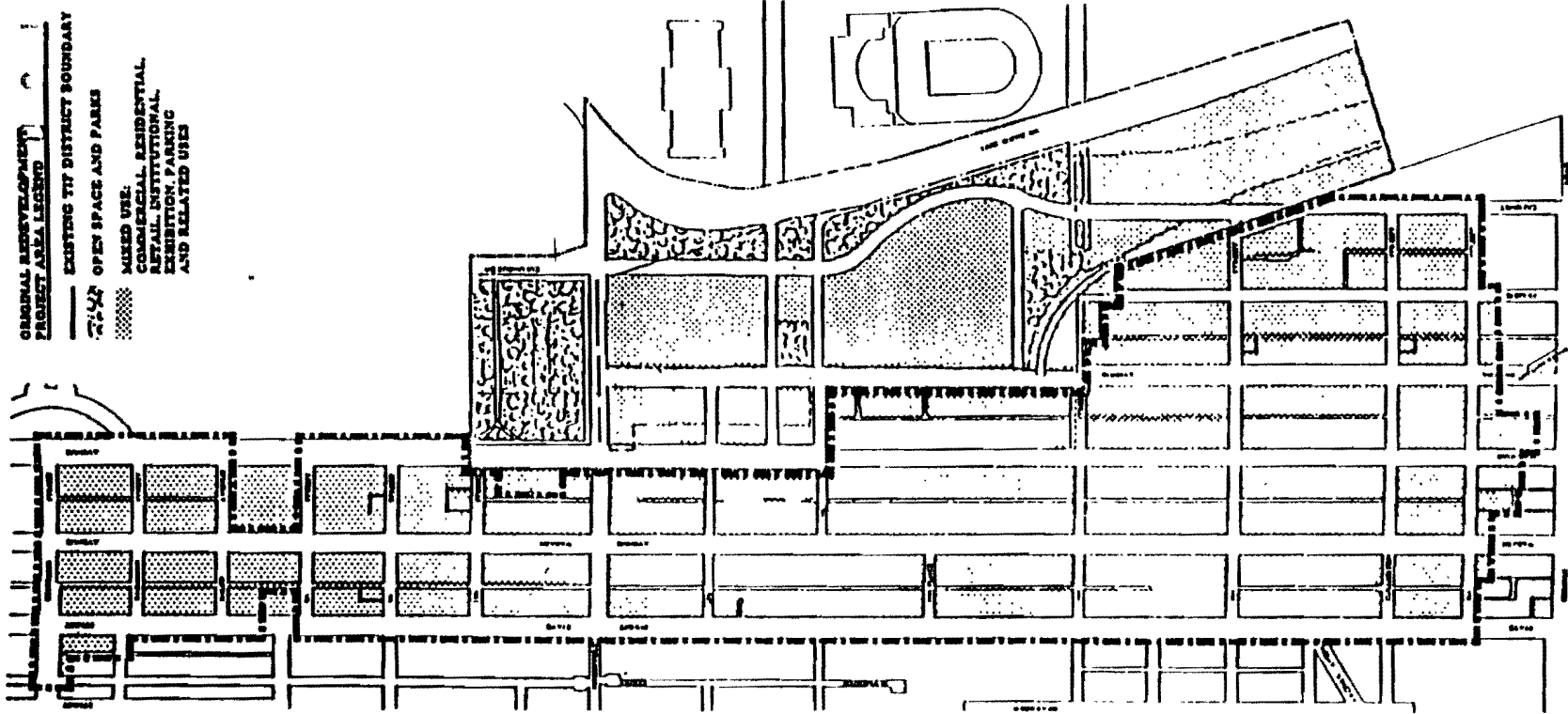
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ORIGINAL REDEVELOPMENT
PROJECT AREA LEGEND

EXISTING TIF DISTRICT BOUNDARY

OPEN SPACE AND PARKS

MIXED USE,
COMMERCIAL, RESIDENTIAL,
RETAIL, INSTITUTIONAL,
EXHIBITION, PARKING
AND RELATED USES



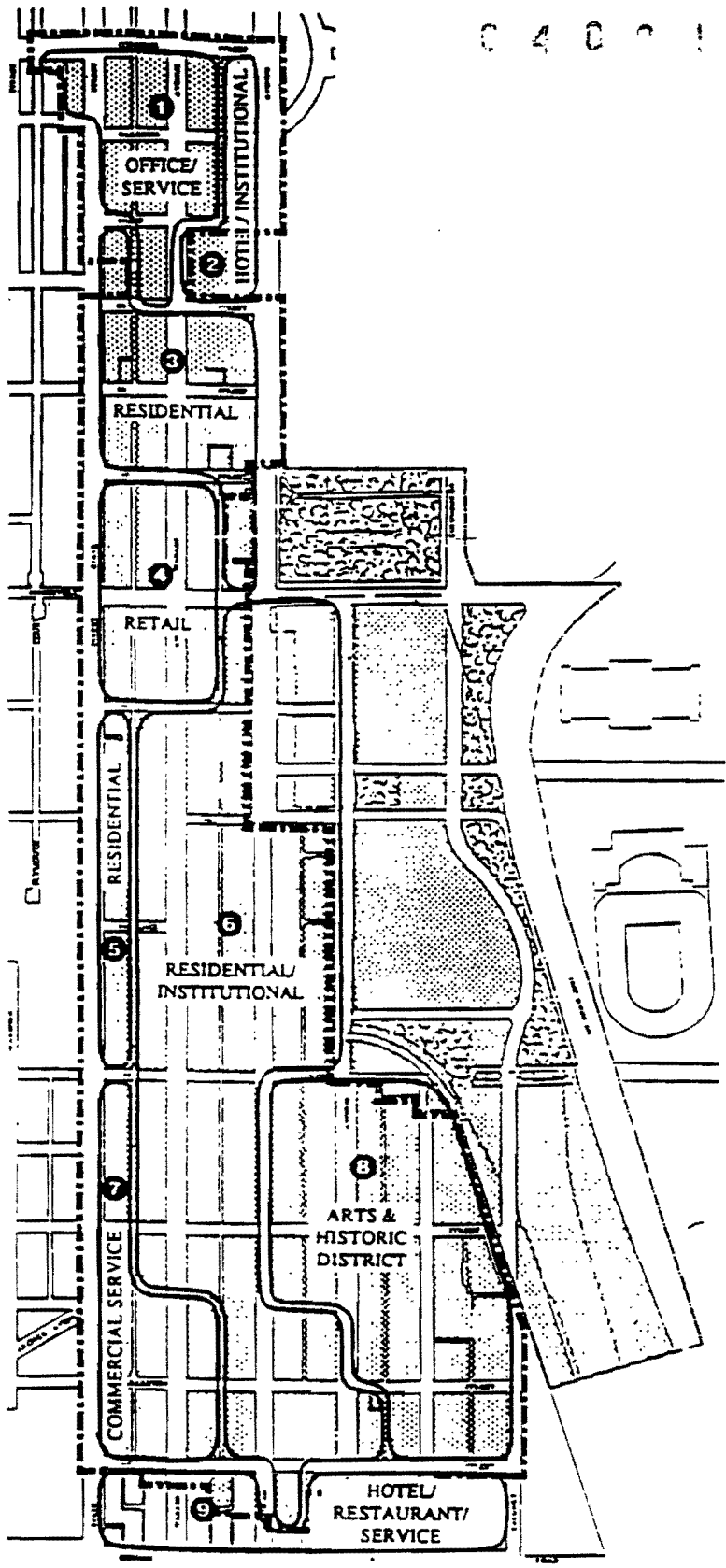
AMENDED REDEVELOPMENT PROJECT AREA LEGEND

AMENDED TIF BOUNDARY

MIXED USE,
COMMERCIAL, RESIDENTIAL, RETAIL,
INSTITUTIONAL, EXHIBITION, PARKING
AND RELATED USES

Figure 4A
LAND-USE PLAN
NEAR SOUTH
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT
City of Chicago, Illinois

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① SUB AREA NUMBER

Figure 4B
 SUB AREA LAND-USE PLAN
 NEAR SOUTH
 TAX INCREMENT FINANCING
 REDEVELOPMENT PROJECT
 City of Chicago, Illinois

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Subarea 5

Residential development that is compatible, in density, with the Dearborn Park II neighborhood located across State Street should be encouraged in subarea 5. Neighborhood retail and business uses should be encouraged on ground floors of residential structures.

Subarea 6

Land should be assembled in underutilized blocks for the development of a range of housing types, rental and sales, in a mixed-density, economically integrated environment. Large scale developments should be approved as planned developments and provide for off-street parking, recreational facilities and other supporting amenities. Residential development within this area should link the Dearborn Park and Central Station neighborhoods. A continuous east-west pedestrian walkway should be provided from the Chicago River to the lakefront.

This subarea should continue to permit institutional uses such as religious facilities, schools, governmental offices, museums and civic organizations, as well as public open spaces and community facilities.

Subarea 7

Commercial services, including wholesale and retail trades, should be located along State Street, north of Cermak.

Subarea 8

Business, residential and cultural uses that are compatible with, support and enhance the existing Prairie Avenue Historic District and the proposed Arts District should be encouraged in Subarea 8. Rehabilitation of existing buildings and redevelopment of vacant sites in the Arts District should be encouraged for business and housing uses, as well as support services, art spaces, public open spaces and community facilities.

Subarea 9

Hotel, restaurant and service uses should be encouraged in subarea 9, as well as other businesses that are compatible with the expanding McCormick Place.

Similar and compatible uses as determined by the City of Chicago Department of Planning and Development should be encouraged within each subarea.

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Estimated Redevelopment Project Costs

Amendment - April 1994

Estimated Redevelopment Project Costs contained in Section 5 is amended to read as follows:

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional services costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law;
9. Payment in lieu of taxes as defined in the Act.
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education

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or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;

- 11. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P.A. 86-1398.

A range of activities and improvements will be required to implement the Redevelopment Project. The necessary improvements and their costs are shown in Table 1, *Estimated Redevelopment Project Costs*. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total Redevelopment Project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of this Redevelopment Plan. Additional funding in the form of State and Federal grants, and private developer contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

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Table 1
ESTIMATED REDEVELOPMENT PROJECT COSTS
NEAR SOUTH REDEVELOPMENT PROGRAM

Program Action/Improvement (in \$1,000's)	Initial Project Costs	Additional Project Costs	Total Project Costs
Property acquisition, Site Preparation, Demolition, Relocation	\$ 3,300	\$ 6,000	\$ 9,300
Rehabilitation of Existing Buildings	N.A.	21,000	21,000
Roadways and Related Improvements	27,600	7,000	34,600
Utility Improvements	6,500	3,000	9,500
Parks and Open Space	1,800	2,000	3,800
Transit Improvements	N.A.	9,500	9,500
Interest Cost Incurred by Redevelopers	N.A.	10,000	10,000
Job Training and Related Education Programs	500	750	1,250
Analysis, Administration, Studies, Surveys, Legal, <i>et.al.</i>	300	400	700
Contingency	N.A.	6,000	6,000
GROSS PROJECT COST¹	\$ 40,000	\$ 65,650	\$ 105,650

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¹ *Gross Project Cost excludes financing costs, including interest expense, capitalized interest, and costs associated with issuing bonds and optional redemptions. Estimated Gross Project Costs are based on 1993 dollars, and are subject to prevailing market conditions at the time they are undertaken.*

Sources of Funds to Pay Redevelopment Project Costs

Amendment - April 1994

Sources of Funds to Pay Redevelopment Project Costs contained in Section 5 is amended to read as follows:

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial EAV of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

Issuance of Obligations

Amendment - April 1994

Issuance of Obligations contained in Section 5 is amended to read as follows:

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74.4-7 of the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2013. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

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Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, may be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

Amendment - April 1994

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area in Section 5 is amended to read as follows:

The purpose of identifying the most recent EAV of properties in the Redevelopment Project Area is to provide an estimate of the Initial EAV which the County Clerk will certify for the purpose of calculating incremental EAV and incremental property taxes. In the case of the Central Station Area Tax Increment Financing Redevelopment Project and Plan, there is an Initial EAV (using 1989 EAV) for the area as originally adopted on November 28, 1990, and a second Initial EAV (using 1992 EAV) for the area to be amended into the Central Station Area Tax Increment Financing Redevelopment Project and Plan.

Table 2, *Summary of Initial EAV by Block*, summarizes the initial equalized assessed valuations of blocks within the Original Area and Amended Area. The EAV summary for the Original Area has since been Certified as the Initial Equalized Assessed Valuation by the Cook County Clerk on August 12, 1991, and is \$3,223,423.

The initial EAV summarized in Table 2 for the Amended Area serves as the estimated initial equalized assessed valuations of blocks within the Amended Area as of April 1994. The total initial EAV for the Amended Area is estimated at \$124,791,988, and assumes this amendment to the Redevelopment Plan and Project will occur before the 1993 state equalization factor is issued, which is sometime in June or July 1994. In the event the amendment is adopted after the 1993 state equalization factor is issued, then the 1993 assessed valuations and 1993 state equalization factor will be used by the County to determine the Initial EAV for the Amended Area. Additionally, this estimated amount is subject to any Certificates of Error which may be adjudicated before a final Certified Initial EAV is issued by the Cook County Clerk's office.

The total certified initial EAV for the entire Redevelopment Project Area is estimated at \$128,015,411.

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**TABLE 2
SUMMARY OF INITIAL EAV BY BLOCK
NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA**

BLOCK NUMBER	[1] ORIGINAL PROJECT AREA	[2] AMENDED PROJECT AREA	ENTIRE PROJECT AREA
17-15-110		\$10,087,753	\$10,087,753
111		\$8,807,434	\$8,807,434
17-15-112	\$0 *		\$0 *
300		\$2,459,481	\$2,459,481
301		\$7,995,577	\$7,995,577
302		\$2,166,319	\$2,166,319
304		\$5,836,194	\$5,836,194
305		\$10,264,638	\$10,264,638
306		\$4,401,836	\$4,401,836
307		\$3,237,637	\$3,237,637
308		\$3,696,048	\$3,696,048
309		\$3,819,510	\$3,819,510
17-15-310	\$0 *		\$0 *
17-15-501	\$0 *		\$0 *
17-16-247		\$1,575,316	\$1,575,316
17-22-100		\$1,415,713	\$1,415,713
101		\$7,599,167	\$7,599,167
17-22-102	\$1,236,479		\$1,236,479
103		\$749,770	\$749,770
104		\$2,732,826	\$2,732,826
17-22-105	\$1,959,440		\$1,959,440
106		\$2,964,749	\$2,964,749
107		\$3,470,369	\$3,470,369
108		\$5,136,042	\$5,136,042
17-22-109	\$10,233		\$10,233
17-22-110	\$0 *		\$0 *
300		\$1,235,667	\$1,235,667
301		\$5,094,929	\$5,094,929
302		\$2,960,436	\$2,960,436
303	\$17,271	\$2,289,881	\$2,307,152
304	\$0 *	\$3,127,719	\$3,127,719 *
305		\$1,281,389	\$1,281,389
306		\$1,110,498	\$1,110,498
307		\$1,742,271	\$1,742,271
308		\$1,142,846	\$1,142,846
309		\$1,676,355	\$1,676,355
310		\$35,368	\$35,368
311		\$1,374,860	\$1,374,860
312		\$3,224,898	\$3,224,898
313		\$3,730,428	\$3,730,428
314		\$1,038,422	\$1,038,422
315		\$1,027,610	\$1,027,610
317		\$68,567	\$68,567
318		\$1,162,295	\$1,162,295
319		\$2,674,962	\$2,674,962
320		\$376,209	\$376,209
500		\$0 *	\$0 *
501	\$0 *	\$0 *	\$0 *
17-27-205	\$0 *		\$0 *
TOTAL	\$3,223,423	\$124,791,988	\$128,015,411

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* Contains exempt and or railroad properties
 1. Based on 1989 EAV
 2. Based on 1992 EAV, and is subject to final verification and certification by the County Clerk following the adoption of the ordinances to add the Amended Area to the Redevelopment Project Area.

Anticipated Equalized Assessed Valuation

Amendment - April 1994

Anticipated Equalized Assessed Valuation in Section 5 is amended to read as follows:

By the year 2005, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$530,000,000. This estimate is based on several key assumptions, including; 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended residential and commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the average State Multiplier for the five year period 1988 through 1992 of 1.9953 will apply to future assessed values.

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6

CONFORMITY OF THE REDEVELOPMENT PLAN TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE

The Redevelopment Plan and the Redevelopment Project conform to the comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following:

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station; Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended;
2. The Comprehensive Plan of Chicago of 1966;
3. The Guidelines for Development: I.C. Air Rights -- 11th place to 31st Street of 1972;
4. The Lakefront Plan of Chicago of 1973;
5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;
6. Chicago 21: A Plan for the Central Area Committees of 1973;
7. Chicago Central Area Plan of 1983;
8. The Near South Development Plan of 1986;
9. The Central Station Guidelines; and
10. The Central Station Plan of Development.

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7

PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment project cost will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

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8

PROVISIONS FOR AMENDING THIS REDEVELOPMENT

This Near South Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

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9

AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Near South Tax Increment Redevelopment Plan and Project:

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B. This commitment to affirmative action will ensure that all members of the protected groups, are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Project and Plan, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties contracting for work on the Project shall be required to agree to the principles set forth in this section.

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10

LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in Section 4 of this Redevelopment Project and Plan report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. The redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise. Small-scale rehabilitation and new construction projects have occurred on a limited and scattered basis. However, no major large-scale projects have been initiated in over ten years. The lack of private investment is evidenced by the continued existence of blight and the limited number of new development projects undertaken on a planned development basis.

The private investment that has occurred in the near south side in general, but not in the redevelopment area, has occurred with substantial public assistance. Projects such as Dearborn Park, Printers Row, McCormick Place and the original Central Station have all been subsidized with local, state or federal assistance.

Thus, it is clear that private investment in revitalization and redevelopment has not occurred on a comprehensive basis or in a timely manner to overcome the blighting conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Project and Plan, and the adoption of tax increment financing.

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FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that blighted conditions will continue to exist and spread, and the area on the whole will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Section 5 of this Redevelopment Project and Plan describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment projects and activities set forth in this Plan. If the Redevelopment Project is successful, it is anticipated that the rehabilitation and expansion of existing buildings and new development resulting therefrom will be instrumental in alleviating blighted conditions and restoring the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax revenues resulting from increases in EAV over and above the certified initial EAV established at the time of adoption of this Redevelopment Project and Plan will be used to pay redevelopment project costs in the area. At the end of such period, the real estate tax revenues attributable to the increase in EAV over the certified initial EAV will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

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DEMAND ON TAXING DISTRICT SERVICES

The following major taxing districts presently levy taxes against properties located within the Redevelopment Project Area:

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

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration, and management of lands for the purpose of protecting and preserving public open space in the City and County for the education, pleasure and recreation of the public.

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

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

Board of Education. General responsibilities of the Board include the provision, maintenance and operations of educational facilities, and the provision of educational services primarily for kindergarten through twelfth grade.

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

Chicago School Finance Authority. The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

City of Chicago. The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including: police and fire protection, capital improvements and maintenance, water production and distribution, sanitation service, building, housing and zoning codes, etc.

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In addition to the major taxing districts summarized above, the following special taxing districts have taxing jurisdiction over the Redevelopment Project Area: the Chicago Library Fund, Chicago Urban Transportation District, and Special Service Area Number 12 (SSA #12). The Chicago Library Fund (formerly a separate taxing district from the City) and the Chicago Urban Transportation District no longer extend tax levies, but continue to exist for the purpose of receiving delinquent taxes. In 1991, the City established SSA #12 in connection with the Central Station Area Circulator. Certain properties located within the Redevelopment Project Area are also located within SSA #12. Taxes for SSA #12 are levied on non-residential properties located within its taxing jurisdiction to pay for a portion of the anticipated cost of the construction and operation of the Central Area Circulator.

Non-residential development, such as retail, commercial service, office, hotel, public and institutional uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Water Reclamation District. Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Water Reclamation District. However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Water Reclamation District.

Residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community College District 508, Chicago Park District, and City. New private investment in residential and non-residential development, and public investment in infrastructure improvements may increase the demand for public services or capital improvements provided by the City of Chicago and the Chicago Park District within and adjacent to the Redevelopment Project Area. These public services or capital improvements may include but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District. However, it is not possible at this time to predict, with any degree of reliability, (i) the number or timing of new or rehabilitated residential buildings that may be added within the Redevelopment Project Area, or (ii) the increased level of demand for services or capital improvements to be provided by any taxing district as a result therefrom.

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

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PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS

As described more fully in the previous sections, because the scale and mix of development in the Area cannot be predicted with certainty as of the date of this Redevelopment Project and Plan, the scope of the financial impact on taxing districts and increase in the demand for services provided by those districts cannot be quantified at this time. As a result, the City has not developed, at present, a specific plan to address such financial impact or increased demand.

However, as described more fully under *Redevelopment Project and Plan Activities--Provision of Public Improvements* in Section 5 of this Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.

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EXHIBIT A

A. PARTIES

1. Wabash Limited Partnership, an Illinois limited partnership referred to herein as the "Owner", having an address at 2401 West Ohio Street, Chicago, Illinois 60612; Attention: Keith Giles.
2. The First National Bank of Chicago, a [national banking association], referred to herein as the "Lender", having an address at 1825 West Lawrence Avenue, Chicago, Illinois 60640; Attention: Martin J. Thomisser.
3. City of Chicago, Illinois having an address at its Department of Planning and Development, City of Chicago, 121 North LaSalle Street, Chicago, Illinois 60604, Attention: Commissioner.
4. Near North National Title Corporation, an [Illinois] corporation, referred to herein as the "Escrow Agent", having an address at 222 N. LaSalle, Chicago, Illinois 606__; Attention: Josie Carlson.

B. Near North National Title Company

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EXHIBIT B

FUNDING OF THE ESCROW ACCOUNT

I. Total amount to be disbursed into the Escrow Account over the term of the Escrow Agreement (total amount of each loan or grant less approved prior expenditures):

City Funds:	\$2,000,000
Less amounts disbursed on the date hereof but not through the Escrow Account:	\$ 0
Total Escrowed City Funds:	\$2,000,000
Loan:	\$8,475,698
Less amounts disbursed prior to the date hereof but not through the Escrow Account:	\$ 600,000
Total Escrowed Loan:	\$7,875,698
TOTAL ESCROWED PROCEEDS:	<u>\$9,875,698</u>

II. Amounts disbursed into and out of the Escrow Account on the date hereof, if any:

City Funds:	\$ 868,512.01
Loan:	\$1,524,836.79
TOTAL:	<u>\$2,393,348.80</u>

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EXHIBIT C

ELIGIBLE AND INELIGIBLE COSTS

Eligible Costs (for TIF-Funded Improvements)

<u>Item</u>	<u>Amount</u>
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Ineligible Costs

<u>Item</u>	<u>Amount</u>
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NAME/ADDRESS	KIND OF WORK	B U D G E T \$		ADJUSTED	PREVIOUSLY PAID	AMOUNT OF THIS PMT	BALANCE TO BECOME DUE	TIF FUNDED	PRIVATELY FUNDED	BALANCE TO BECOME DUE \$	
		TIF \$	PRIVATE \$	TOTAL INCL EXTRAS/CREDIT						TIF \$	PRIVATE \$
All Temp	HVAC	\$425,000	\$0	\$425,000	\$0	\$2,950.00	\$421,050.00	\$3,950.00	\$0.00	\$421,050.00	\$0.00
Best Built	BALCONIES	\$0	\$205,900	\$205,900	\$0	\$3,000.00	\$202,900.00	\$0.00	\$3,000.00	\$0.00	\$202,900.00
Frank's Mechanical	PLUMBING	\$894,600	\$0	\$894,600	\$0	\$10,700.00	\$883,900.00	\$10,700.00	\$0.00	\$883,900.00	\$0.00
	GAS PIPING	\$85,000	\$0	\$85,000	\$0	\$0.00	\$85,000.00	\$0.00	\$0.00	\$85,000.00	\$0.00
JNP Electrical	ELECTRIC	\$431,300	\$0	\$431,300	\$0	\$6,680.00	\$424,620.00	\$6,680.00	\$0.00	\$424,620.00	\$0.00
	LOBBY	\$50,000	\$0	\$50,000	\$0	\$0.00	\$50,000.00	\$0.00	\$0.00	\$50,000.00	\$0.00
GE	APPLIANCES	\$0	\$129,369	\$129,369	\$0	\$2,301.68	\$127,067.32	\$0.00	\$2,301.68	\$0.00	\$127,067.32
CVC	PAINTING	\$252,300	\$0	\$252,300	\$0	\$1,830.00	\$250,470.00	\$1,830.00	\$0.00	\$250,470.00	\$0.00
KDA	KITCHEN CABINETS	\$0	\$120,700	\$120,700	\$0	\$1,704.17	\$118,995.83	\$0.00	\$1,704.17	\$0.00	\$118,995.83
LPI	COUNTERTOPS	\$39,100	\$0	\$39,100	\$0	\$338.00	\$38,762.00	\$338.00	\$0.00	\$38,762.00	\$0.00
Softer Lite	WINDOWS	\$340,000	\$0	\$340,000	\$0	\$9,000.00	\$331,000.00	\$9,000.00	\$0.00	\$331,000.00	\$0.00
	GLASS BLOCK	\$0	\$18,100	\$18,100	\$0	\$0.00	\$18,100.00	\$0.00	\$0.00	\$0.00	\$18,100.00
Bay Elevator	ELEVATOR	\$294,000	\$0	\$294,000	\$0	\$4,773.81	\$289,226.19	\$4,773.81	\$0.00	\$289,226.19	\$0.00
	EXERCISE EQUIPMENT	\$0	\$10,000	\$10,000	\$0	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00
	MASONRY	\$100,000	\$0	\$100,000	\$0	\$0.00	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00

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FILMWORKS CONSTRUCTION BUDGET
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DECEMBER, 1994
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Table with 4 columns: ITEM, TIF, PRIVATE, TOTAL. Rows include APPLIANCES, ASBESTOS REMOVAL, BALCONIES, KITCHEN CABINETS, CARPENTRY/MILLWORK, CARPET, CLEANING, CONCRETE-SIDEWALKS/GARAGES, COUNTERTOPS, DEMOLITION, DRYWALL/INSULATION, ELECTRICAL, ELEVATOR, EXCAVATION, EXERCISE EQUIPMENT, FENCING, FIRE ALARM SYSTEM, FIREPLACES, GARAGE AREAS, GARAGE DOORS.

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=====	===	=====	=====
ITEM .	TIF	PRIVATE	TOTAL
=====	===	=====	=====
GAS PIPING	\$0	\$85,000	\$85,000
GLASS BLOCK	\$0	\$18,100	\$18,100
HVAC	\$100,000	\$325,000	\$425,000
LANDSCAPING	\$0	\$12,700	\$12,700
LIGHT FIXTURES	\$0	\$34,800	\$34,800
LIGHTWEIGHT CONCRETE	\$0	\$99,000	\$99,000
LOBBY	\$0	\$50,000	\$50,000
LOW VOLTAGE	\$0	\$48,000	\$48,000
MAILBOXES	\$0	\$4,000	\$4,000
MASONRY -- SANDBLST/TKPT/OPENINGS	\$325,000	\$0	\$325,000
MASONRY -- NEW	\$50,000	\$50,000	\$100,000
MIRRORS/MEDICINE CABINETS	\$0	\$15,700	\$15,700
PAINTING	\$0	\$252,300	\$252,300
PAVING	\$0	\$25,000	\$25,000
PLASTERING	\$60,000	\$40,000	\$100,000
PLUMBING	\$275,000	\$619,600	\$894,600
ROLLING GATES	\$0	\$19,600	\$19,600
ROOF DECKS/*109 DECK	\$0	\$10,000	\$10,000
ROOFING	\$84,540	\$0	\$84,540
SPRINKLER SYSTEM	\$0	\$250,000	\$250,000
STAIRS	\$0	\$8,700	\$8,700
STORAGE LOCKERS	\$0	\$10,000	\$10,000
TILE/ACCESSORIES	\$0	\$135,700	\$135,700
TRASH SYSTEMS	\$0	\$10,000	\$10,000

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=====		===	=====	=====
ITEM		TIF	PRIVATE	TOTAL
=====		===	=====	=====
WINDOWS		\$80,000	\$260,000	\$340,00
WIRE SHELVING		\$0	\$7,500	\$7,50
WOOD FLOORING		\$0	\$287,000	\$287,00
CONTINGENCY		\$100,000	\$253,500	\$353,50
TOTAL SUBCONTRACTORS		\$1,785,000	\$5,489,659	\$7,274,65
GENERAL CONDITIONS	7.00%	\$0	\$509,226	\$509,22
PROFIT/OVERHEAD	5.00%	\$0	\$376,464	\$376,46
TOTAL HARD COSTS		\$1,785,000	\$6,375,349	\$8,160,34
ACQUISITION		\$0	\$3,300,000	\$3,300,00
SOFT COSTS:				
ARCHITECTURAL/ENGINEERING		\$150,000	\$25,000	\$175,00
ADVERTISING		\$0	\$75,000	\$75,00
LEGAL		\$65,000	\$0	\$65,00
FINANCING FEES/INTEREST		\$0	\$410,000	\$410,00
OVERHEAD		\$0	\$150,000	\$150,00
CONTINGENCY		\$60,000	\$140,000	\$200,00
TOTAL SOFT COSTS:		\$275,000	\$800,000	\$1,075,00
TOTAL COST OF PROJECT		\$2,060,000	\$10,475,349	\$12,535,34

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Exhibit D-1

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, an _____ corporation (the "General Contractor"), as general contractor for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

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REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, [Owner]

By: _____
Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____
Its: _____

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Exhibit D-2

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, an _____ corporation (the "Lender"), as The Lender for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

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REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [General contractor]

By: _____
Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____
Its: _____

Exhibit D-3

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, a _____ Limited Partnership, as (the "Owner") for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04081891

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [General contractor]

By: _____

Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____

Its: _____

Exhibit D-4

REQUEST FOR TIF PAYMENT (NON-CONSTRUCTION COSTS)

Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

The undersigned hereby certifies that the work for which this request is made was completed and no mechanics' liens or other liens of any kind have been or will be filed by any person with respect thereto.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04081891

REQUEST FOR TIF PAYMENT: NON-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [Owner]

By: _____
Its: _____

Approved this _____ day of
_____, 199__

CITY OF CHICAGO

By: _____
Its: _____

Exhibit E

INSPECTOR/ARCHITECT CERTIFICATE

_____, the Inspector/Architect for the construction and/or rehabilitation of the facility of Wabash Limited Partnership, an Illinois limited partnership (the "Company") located at 1318-52 South Wabash Avenue, Chicago, Illinois, pursuant to [insert Escrow Agent's name] ("Escrow Agent") Escrow No. _____ (the "Escrow"), does hereby certify and approve to the Escrow Agent, the City of Chicago (the "City") and the Company as follows:

A. The work covered by draw request number _____ dated _____, 1994 has been completed and materials are in place in substantial conformity with the "Scope Drawings" (as such term is defined in the Redevelopment Agreement (the "Agreement") dated March ____, 1994 by and between the Company and the City), any and all permits that are required for said work have been obtained and all work completed is in accordance therewith.

B. The work covered by the above-referenced draw request is composed of \$ _____ detailed as follows:

Line Item	Amount Requested	Balance After Payment
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

C. Total Project (as defined in the Redevelopment Agreement) expenditures to date are \$ _____, composed of payments of City Funds totaling \$ _____ and payments of Equity and/or Lender Financing (as defined in the Redevelopment Agreement) totaling \$ _____.

D. City Funds have not been disbursed to pay for costs other than the Eligible Costs as set forth on Exhibit C to the Escrow.

By: _____
Its: _____

04081891

EXHIBIT F

ADDRESSES OF PARTIES FOR NOTICE

IF TO THE CITY: As set forth on Exhibit A hereto, with copies to:

Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 511
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO THE OWNER: As set forth on Exhibit A hereto, with copies to:

Polsky & Riordan, Ltd.
205 North Michigan Ave.
Suite 3909
Chicago, Illinois 60601
Attention: Sam Polsky, Esq.

IF TO THE LENDER: As set forth on Exhibit A hereto, with copies to:

Chicago, Illinois 606__

IF TO THE ESCROW AGENT: As set forth on Exhibit A hereto.

04061391

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

CITY OF CHICAGO, ILLINOIS

By: Marta M. [Signature]
Its: Deputy Commissioner
Department of Planning and Development

WABASH LIMITED PARTNERSHIP, an Illinois limited partnership

By: 1322 Wabash Corporation, an Illinois corporation and its sole general partner

By: _____
Its: _____

THE FIRST NATIONAL BANK OF CHICAGO

By: _____
Its: _____

NEAR NORTH NATIONAL TITLE CORPORATION

By: _____
Its: _____

ACCEPTED:
KENARD CORPORATION
a _____ corporation

By: _____
Its: _____

04021214

EXHIBIT A

A. PARTIES

1. Wabash Limited Partnership, an Illinois limited partnership referred to herein as the "Owner", having an address at 2401 West Ohio Street, Chicago, Illinois 60612; Attention: Keith Giles.
2. The First National Bank of Chicago, a [national banking association], referred to herein as the "Lender", having an address at 1825 West Lawrence Avenue, Chicago, Illinois 60640; Attention: Martin J. Thomisser.
3. City of Chicago, Illinois having an address at its Department of Planning and Development, City of Chicago, 121 North LaSalle Street, Chicago, Illinois 60604, Attention: Commissioner.
4. Near North National Title Corporation, an [Illinois] corporation, referred to herein as the "Escrow Agent", having an address at 222 N. LaSalle, Chicago, Illinois 606__; Attention: Josie Carlson.

B. Near North National Title Company

EXHIBIT B

FUNDING OF THE ESCROW ACCOUNT

I. Total amount to be disbursed into the Escrow Account over the term of the Escrow Agreement (total amount of each loan or grant less approved prior expenditures):

City Funds: \$2,000,000

Less amounts disbursed on the date hereof but not through the Escrow Account: \$ 0

Total Escrowed City Funds: \$2,000,000

Loan: \$ _____

Less amounts disbursed on the date hereof but not through the Escrow Account: \$ _____

Total Escrowed Loan: \$ _____

TOTAL ESCROWED PROCEEDS: \$ _____

II. Amounts disbursed into and out of the Escrow Account on the date hereof, if any:

City Funds: \$2,000,000

Loan: \$ _____

TOTAL: \$ _____

04081891

EXHIBIT C

ELIGIBLE AND INELIGIBLE COSTS

Eligible Costs (for TIF-Funded Improvements)

<u>Item</u>	<u>Amount</u>
-------------	---------------

Ineligible Costs

<u>Item</u>	<u>Amount</u>
-------------	---------------

Exhibit D-1

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, an _____ corporation (the "General Contractor"), as general contractor for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04081891

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, [Owner]

By: _____
Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____
Its: _____

Exhibit D-2

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, an _____ corporation (the "Lender"), as The Lender for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04061891

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [General contractor]

By: _____

Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____

Its: _____

Exhibit D-3

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS

Date of request: _____, 19__

_____, a _____ Limited Partnership, as (the "Owner") for the construction or rehabilitation of certain TIF-Funded Improvements (as defined in the Redevelopment Agreement) on certain property owned by Wabash Limited Partnership, does hereby request that payments be made by the City of Chicago (the "City") for certain improvements made in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

Attached hereto is an executed original Certificate of the Inspector/Architect certifying that the work for which this request is made was completed in accordance with the Scope Drawings approved by the City of Chicago.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04081891

REQUEST FOR TIF PAYMENT-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [General contractor]

By: _____

Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____

Its: _____

Exhibit D-4

REQUEST FOR TIF PAYMENT (NON-CONSTRUCTION COSTS)

Wabash Limited Partnership, an Illinois limited partnership (the "Owner"), does hereby request that payments be made by the City of Chicago (the "City") for certain improvements in accordance with the Redevelopment Agreement dated _____, 1994 by and between the City and the Owner and the Escrow Agreement between the City, the Owner, certain Lender(s), the Escrow Agent and the General Contractor dated _____, 1994 (the "Escrow"). Terms used herein and not otherwise defined shall have the meanings set forth for such terms in the Escrow.

The undersigned hereby certifies that the work for which this request is made was completed and no mechanics' liens or other liens of any kind have been or will be filed by any person with respect thereto.

Payment is requested in the amount of \$ _____ for the following line items identified on Exhibit C to the Escrow Agreement as Eligible Costs:

LINE ITEM	AMOUNT REQUESTED	BALANCE AFTER REQUESTED PAYMENT
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

04081891

REQUEST FOR TIF PAYMENT: NON-CONSTRUCTION COSTS, continued

Date of request: _____, 1994

_____, Inc. [Owner]

By: _____
Its: _____

Approved this _____ day of
_____, 199_

CITY OF CHICAGO

By: _____
Its: _____

Exhibit E

INSPECTOR/ARCHITECT CERTIFICATE

_____, the Inspector/Architect for the construction and/or rehabilitation of the facility of Wabash Limited Partnership, an Illinois limited partnership (the "Company") located at 1318-52 South Wabash Avenue, Chicago, Illinois, pursuant to [insert Escrow Agent's name] ("Escrow Agent") Escrow No. _____ (the "Escrow"), does hereby certify and approve to the Escrow Agent, the City of Chicago (the City") and the Company as follows:

A. The work covered by draw request number _____ dated _____, 1994 has been completed and materials are in place in substantial conformity with the "Scope Drawings" (as such term is defined in the Redevelopment Agreement (the "Agreement") dated March ____, 1994 by and between the Company and the City), any and all permits that are required for said work have been obtained and all work completed is in accordance therewith.

B. The work covered by the above-referenced draw request is composed of \$ _____ detailed as follows:

Line Item	Amount Requested	Balance After Payment
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

C. Total Project (as defined in the Redevelopment Agreement) expenditures to date are \$ _____, composed of payments of City Funds totaling \$ _____ and payments of Equity and/or Lender Financing (as defined in the Redevelopment Agreement) totaling \$ _____.

D. City Funds have not been disbursed to pay for costs other than the Eligible Costs as set forth on Exhibit C to the Escrow.

By: _____
Its: _____

04081891

EXHIBIT F

ADDRESSES OF PARTIES FOR NOTICE

IF TO THE CITY: As set forth on Exhibit A hereto, with copies to:

Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 511
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO THE OWNER: As set forth on Exhibit A hereto, with copies to:

Polsky & Riordan, Ltd.
205 North Michigan Ave.
Suite 3909
Chicago, Illinois 60601
Attention: Sam Polsky, Esq.

IF TO THE LENDER: As set forth on Exhibit A hereto, with copies to:

Chicago, Illinois 606__

IF TO THE ESCROW AGENT: As set forth on Exhibit A hereto.

ARTICLE 1
THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 9

ARTICLE 2
THE WORK OF THIS CONTRACT

The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, or as follows.

Rehabilitation of existing 3 and 10-story building and construction of 87 loft-type condominium units; basement, 1st and 2nd floor parking; and parking lots.

ARTICLE 3
DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

3.1 The date of commencement is the date from which the Contract Time of Paragraph 3.2 is measured, and shall be the date of this Agreement, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

Unless the date of commencement is established by a notice to proceed issued by the Owner, the Contractor shall notify the Owner in writing not less than five days before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

3.2 The Contractor shall achieve Substantial Completion of the entire Work not later than

(Insert the calendar date or number of calendar days after the date of commencement. Also insert any requirements for earlier Substantial Completion of certain portions of the Work, if not stated elsewhere in the Contract Documents.)

See page 2A.

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any for liquidated damages relating to failure to complete on time.)

0 4 0 2 1 0

3.2 18 months after date of commencement, which Work shall be deemed to have commenced on November 1, 1994. In addition, Contractor, shall complete its Work according to a construction schedule that takes into account the closing dates of each individual condominium unit, a schedule of which closing dates is attached hereto and made a part hereof. Said schedule will be updated from time to time by Owner. Contractor shall use it best efforts to complete each condominium unit prior to the respective closing date. Contractor acknowledges that a failure by Contractor to so complete the units may cause Owner to be in breach of contract with its individual purchasers, entitling purchasers to, among other potential remedies, terminate their contracts; provided however Contractor shall not be liable for any damages resulting therefrom. In addition, Contractor agrees to perform all so called "punchlist work" that Owner reasonably agrees to complete after each closing, within 30 days of receipt by Contractor of the "Punchlist" entered into between Owner and purchaser at closing. Contractor's field representative shall be present at each unit "walk-through" and shall agree to the "punchlist".

04081891

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ARTICLE 4
CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of EIGHT MILLION Dollars
(\$ 8,000,000.00), subject to additions and deductions as provided in the Contract Documents.

4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner.

(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date until which that amount is paid.)

4.3 Additional Contract Sum provisions:

4.3.1 The Contract Sum shall include the total of all Subcontract Costs, General Conditions and Profit/Overhead per the Project Budget attached and as it may from time to time be amended by authorized change orders signed by the Owner and Contractor.

4.3.2 General Conditions shall be paid to Contractor and capped at (7%) seven percent of the total of all Subcontract costs. Owner shall not be obligated to reimburse Contractor for the cost of any of its general conditions that are in excess of this amount. In the event, the General Conditions are less than 7%, all savings shall be equally divided between Contractor and Owner. General Conditions for upgrade/option costs shall be 10% and no part shall be credited to Owner.

4.3.3 Profit/Overhead shall be paid to Contractor and calculated as (5%) five percent of the total of all Subcontract costs plus 2.5% of General Conditions. Profit/Overhead shall be paid monthly in proportion to the total amount drawn.

4.3.4 General Conditions shall include only those actual and direct costs incurred by the Contractor which exclusively relate to the administration and management of the project (and no other project). General Conditions shall include:

1. Wage and benefits of the Contractor's direct supervisory personnel exclusively stationed at the Work site, all in amounts and at rates not higher than those generally paid in Chicago, Illinois.
2. Costs of safety measures and security including railings, barricades, first aid equipment and security personnel.
3. Costs of temporary facilities including toilets, trailers, electricity, heat water etc.
4. Cost of Contractor's field office equipment, supplies, telephone and utilities.
5. Cost of Contractor's laborers used for clean-up, repairs, maintenance and assistance.
6. Other costs incurred in the performance of the work not directly attributable to the permanent construction, as expressly approved by Owner.

04031391



4 0 0 1 0

AIA Document A101

Standard Form of Agreement Between Owner and Contractor

where the basis of payment is a
STIPULATED SUM

1987 EDITION

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION.

The 1987 Edition of AIA Document A201, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by The Associated General Contractors of America.

AGREEMENT

made as of the **TWENTY SEVENTH** day of **OCTOBER** in the year of
Nineteen Hundred and NINETY FOUR

BETWEEN the Owner:
(Name and address) **WABASH LIMITED PARTNERSHIP**
2401 W. Ohio Street
Chicago, Illinois 60612

and the Contractor:
(Name and address) **KENARD CORPORATION**
4242 N. Sheridan Road
Chicago Illinois 60613

The Project is:
(Name and location) **FILMWORKS LOFTS**
1318-1352 S. Wabash
Chicago, Illinois

The Architect is:
(Name and address) **FITZGERALD & ASSOCIATES**
3110 N. Sheffield
Chicago, Illinois

The Owner and Contractor agree as set forth below.

Copyright 1915, 1918, 1925, 1937, 1954, 1958, 1961, 1963, 1967, 1974, 1977, ©1987 by The American Institute of Architects, 1735 New York Avenue, N.W., Washington, D.C. 20006. Reproduction of the material herein or substantial quotation of its provisions without written permission of the AIA violates the copyright laws of the United States and will be subject to legal prosecution.

04081891

ARTICLE 5

PROGRESS PAYMENTS

Owner

5.1 Based upon Applications for Payment submitted to the ~~Architect~~ by the Contractor ~~and Certified Payment Requested by the Architect~~ the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

5.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

5.3 Provided an Application for Payment is received by the Architect not later than the **FIFTEENTH (15th)** day of a month, the Owner shall make payment to the Contractor not later than the last day of the same month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than **THIRTY (30)** days after the ~~Architect~~ ~~Owner~~ receives the Application for Payment.

5.4 Each Application for Payment shall be based upon the schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work and be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

5.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

5.6 Subject to the provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

5.6.1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the total Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of **TEN** percent (**10** %). Pending final determination of cost to the Owner of changes in the Work, amounts not in the dispute may be included as provided in Subparagraph 7.3.7 of the General Conditions even though the Contract Sum has not yet been adjusted by Change Order:

5.6.2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of **ZERO** percent (**0** %);

5.6.3 Subtract the aggregate of previous payments made by the Owner; and

5.6.4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of the General Conditions.

5.7 The progress payment amount determined in accordance with Paragraph 5.6 shall be further modified under the following circumstances:

5.7.1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to **ONE HUNDRED** percent (**100** %) of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work and unsettled claims; and

5.7.2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Subparagraph 9.10.3 of the General Conditions.

5.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended prior to Substantial Completion of the entire Work to reduce or limit the retainage resulting from the percentages inserted in Subparagraphs 5.6.1 and 5.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

04081891

ARTICLE 6
FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor except for the Contractor's responsibility to correct nonconforming Work as provided in Subparagraph 12.2.2 of the General Conditions and to satisfy other requirements, if any, which necessarily survive final payment; and (2) a final Certificate for Payment has been issued by the Architect; such final payment shall be made by the Owner not more than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Where reference is made in this Agreement to a provision of the General Conditions or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

7.3 Other provisions:

7.3.1 Contractor acknowledges that the terms and conditions of the Redevelopment Agreement to be entered into by the Owner and the City of Chicago shall govern and control over any term of the Agreement which is inconsistent therewith. Contractor shall coordinate on behalf of the Owner compliance with all MBE/WBE requirements in the staffing of this project, and the selection of Subcontractors and materialmen. Contractor shall cooperate with and assist any and all consultants and employees of the City of Chicago and Owner's construction lender in the preparation of all necessary documentation for the disbursement of both construction and TIF funds.

(continued page 5A)

ARTICLE 8
TERMINATION OR SUSPENSION

8.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of the General Conditions.

8.2 The Work may be suspended by the Owner as provided in Article 14 of the General Conditions.

04081891

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7.3.1 continued. Contractor agrees to comply with all terms of the Redevelopment Agreement relating to the contractor's agreement and construction of the project and the terms of the Redevelopment Agreement are hereby incorporated into and made a part of this Agreement.

7.3.2 The Contractor is not obligated to commence work until the City has indicated that all conditions precedent to its obligation to fund have been fulfilled (see paragraph 5 of the Redevelopment Agreement), a construction loan is in place for not less than \$7,970,000.00, and all conditions to the Lender's obligation to fund have been fulfilled, and the Owner has infused all equity required to fund the balance of the project budget, but not less than \$2,000,000.00 (see paragraph 4.01 of the Redevelopment Agreement);

7.3.3 The Owner hereby represents and warrants to the Contractor that all representations and warranties made by it in the Redevelopment Agreement are true and will continue to be true, and that the Owner will timely comply with all of its obligations under the Redevelopment Agreement which is not expressly undertaken by the Contractor;

W

7.3.4 In the event that the Owner is unable to satisfy the conditions described in 7.3.2 above by ~~November~~ 1, 1994, then this Contract shall become null and void.

Bin

December

7.3.5 Owner shall have the right to retain (except for completed Units) ten percent (10%) of each "hard cost" item of cost (exclusive of amounts due to material suppliers solely for material) until ninety percent (90%) of the "hard costs" for the particular trade have been expended;

7.3.6 Contractor represents and warrants that it has made application to the City of Chicago to be certified as a WBE and that Contractor has no reason to believe that a WBE certification will not be issued;

7.3.7 Contractor will provide the City of Chicago with satisfactory evidence of the existence of completion bonds for the amount of the work being done to the sidewalks on, and surrounding the Property.

04081391

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ARTICLE 9

ENUMERATION OF CONTRACT DOCUMENTS

- 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:
- 9.1.1 The Agreement is this executed Standard Form of Agreement Between Owner and Contractor, AIA Document A101, 1987 Edition.
 - 9.1.2 The General Conditions are the General Conditions of the Contract for Construction, AIA Document A201, 1987 Edition.
 - 9.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Title	Pages
NONE		

- 9.1.4 The Specifications ~~are those contained in the Project Manual dated 2005 Supplement 2 to the~~ ^{August 26, 1994} are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement)

Section	Title	Pages
	FIRE ALARM & VOICE COMMUNICATIONS SYSTEMS	14
	AUTOMATIC SPRINKLER SYSTEM	30

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9.1.5 The Drawings are as follows, and are dated as shown ^{0 0 1} unless a different date is shown below
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Date
A-0 through A-18	Architectural	08/10/94 10/26/94
S-1 through S-9	Structural	09/13/94
M-0 through M-10	Mechanical	10/21/94
E-1 through E-8	Electrical	10/21/94
U-1	Underground	08/10/94
P-1 through P-12	Plumbing	08/10/94
FA-1 through FA-7	Fire Alarm & Voice Communications Systems	08/26/94
FP-1	Fire Protection (sprinkler) Systems	08/26/94

①
②

9.1.6 The addenda, if any, are as follows:

Number	Date	Pages
NONE		

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Portions of addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9

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9.1.7 Other documents, if any, forming part of the Contract Documents are as follows.

(List here any additional documents which are intended to form part of the Contract Documents. The General Conditions provide that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

NONE

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This Agreement is entered into as of the day and year first written above and is executed in at least three original copies of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER

Keith Giles

(Signature)

Keith Giles, President
(Printed name and title)
1322 Wabash Corp, General Partner

CONTRACTOR

Robert M. DiCostanzo

(Signature)

Robert DiCostanzo, Vice-President
(Printed name and title)



CAUTION: You should sign an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

Exhibit L
Preliminary TIF Projection - Real Estate Taxes

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EXHIBIT L

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WABASH LTD. PARTNERSHIP TIF

YEAR	MINIMUM ASS. VALUE	ESTIMATED MULTIPLIER	ESTIMATED TAX RATE	PROPERTY TAX REVENUE
1994	\$0	2.0381	9.899%	\$0
1995	\$467,522	2.0381	9.899%	\$0
1996	\$935,044	2.0381	9.899%	\$94,323
1997	\$1,416,733	2.0381	9.899%	\$188,647
1998	\$1,416,733	2.0381	9.899%	\$285,828
1999	\$1,416,733	2.0381	9.899%	\$285,828
2000	\$1,548,102	2.0381	9.899%	\$285,828
2001	\$1,548,102	2.0381	9.899%	\$312,332
2002	\$1,548,102	2.0381	9.899%	\$312,332
2003	\$1,691,653	2.0381	9.899%	\$312,332
2004	\$1,691,653	2.0381	9.899%	\$341,294
2005	\$1,691,653	2.0381	9.899%	\$341,294
2006	\$1,848,515	2.0381	9.899%	\$341,294
2007	\$1,848,515	2.0381	9.899%	\$372,941
2008	\$1,848,515	2.0381	9.899%	\$372,941
2009	\$2,019,922	2.0381	9.899%	\$372,941
2010	\$2,019,922	2.0381	9.899%	\$407,522
2011	\$2,019,922	2.0381	9.899%	\$407,522
2012	\$2,207,224	2.0381	9.899%	\$407,522
2013	\$2,207,224	2.0381	9.899%	\$445,311
2014	\$2,207,224	2.0381	9.899%	\$445,311
2015	\$2,411,893	2.0381	9.899%	\$445,311
2016	\$2,411,893	2.0381	9.899%	\$486,603
2017	\$2,411,893	2.0381	9.899%	\$486,603

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SWORN OWNERS STATEMENT

STATE OF ILLINOIS
COUNTY OF COOK

Guarantee # _____

Escrow # _____

This affiant, Keith M. Giles, President, 1322 Wabash Corporation, being duly sworn on oath deposes and says that 1322 Wabash Corporation is the general partner of the owner of Trust # _____, held by _____ which is the owner of the premises located at 1318-52 South Wabash Avenue, Chicago, Illinois in Cook County, to wit:

1. That he is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That with respect to improvements on the premises the only work done or materials furnished to date are as listed below;
3. That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are as listed below;
4. That this statement is a true and complete statement of all such contracts, previous payments and balances due, if any.

NAME	KIND OF WORK	B U D G E T \$		ADJUSTED	PREVIOUSLY PAID	AMOUNT OF THIS PMT	BALANCE TO BECOME DUE	TIF FUNDED	PRIVATELY FUNDED	BALANCE TO BECOME DUE \$	
		TIF \$	PRIVATE \$	TOTAL INCL EXTRAS/CREDIT						TIF \$	PRIVATE \$
American Demolition Villa Construction	DEMOLITION	\$235,000	\$0	\$235,000	\$0	\$151,264.44 \$13,050.00	\$70,685.56	\$151,264.44 \$13,050.00	\$0.00	\$83,735.56	\$0.00
Colfax	ASBESTOS REMOVAL	\$29,850	\$0	\$29,850	\$0	\$29,850.00	\$0.00	\$29,850.00	\$0.00	\$0.00	\$0.00
	EXCAVATION	\$20,000	\$0	\$20,000	\$0	\$0.00	\$20,000.00	\$0.00	\$0.00	\$20,000.00	\$0.00
* Drywall Service	DRYWALL/INSULATION	\$717,500	\$0	\$717,500	\$0	\$8,655.00	\$708,845.00	\$8,655.00	\$0.00	\$708,845.00	\$0.00
	MAILBOXES	\$0	\$4,000	\$4,000	\$0	\$0	\$4,000.00	\$0.00	\$0.00	\$0.00	\$4,000.00
	WIRE SHELVING	\$0	\$7,500	\$7,500	\$0	\$115	\$7,385.00	\$115.00	\$0.00	(\$115.00)	\$7,500.00

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NAME/ADDRESS	KIND OF WORK	B U D G E T \$		ADJUSTED	PREVIOUSLY PAID	AMOUNT OF THIS PMT	BALANCE TO BECOME DUE	TIF FUNDED	PRIVATELY FUNDED	BALANCE TO BECOME DUE \$	
		TIF \$	PRIVATE \$	TOTAL INCL EXTRAS/CREDIT						TIF \$	PRIVATE \$
Commercial National Bank	ACQUISITION	\$0	\$3,300,000	\$3,330,000	\$2,000,000	\$1,330,000.00	\$0.00	\$0.00	\$1,330,000.00	\$0.00	\$0.00
	SOFT COSTS:										
Fitzgerald & Assoc. Stearn, Joglekar Bert Cohn & Assoc. Khatib & Assoc.	ARCHITECTURAL/ENGINEERING	\$175,000	\$0	\$175,000	\$0	\$0.00	\$175,000.00	\$0.00	\$0.00	\$175,000.00	\$0.00
Wabash Ltd Partshp	ADVERTISING/MARKETING	\$0	\$125,000	\$125,000	\$0	\$25,000.00	\$100,000.00	\$0.00	\$25,000.00	\$0.00	\$100,000.00
Polsky & Riordan Bronson & Assoc.	LEGAL	\$65,000	\$0	\$65,000	\$0	\$60,000.00	\$5,000.00	\$60,000.00	\$0.00	\$5,000.00	\$0.00
	PERMITS/FEES	\$60,000	\$0	\$60,000	\$0	\$60,000.00	\$0.00	\$60,000.00	\$0.00	\$0.00	\$0.00
	FINANCING FEES/INTEREST	\$0	\$375,000	\$375,000	\$0	\$120,000.00	\$255,000.00	\$0.00	\$120,000.00	\$0.00	\$255,000.00
Wolverine Investments	OVERHEAD	\$0	\$200,000	\$200,000	\$0	\$40,000.00	\$160,000.00	\$0.00	\$40,000.00	\$0.00	\$160,000.00
	CONTINGENCY	\$0	\$200,000	\$200,000	\$0	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$200,000.00
	TOTAL SOFT COSTS:	\$300,000	\$900,000	\$1,200,000	\$0	\$305,000.00	\$895,000.00	\$120,000.00	\$185,000.00	\$180,000.00	\$715,000.00
	TOTAL COST OF PROJECT	\$7,582,005	\$4,888,989	\$12,513,449	\$2,000,000	\$2,048,800	\$8,464,648	\$693,271	\$1,530,253	\$6,888,733.35	\$3,358,736.34

* THE ALLOCATION OF CERTAIN BUDGETED COSTS UNDER THE TIF WILL BE REALLOCATED TO PRIVATE BUDGETED LINE ITEMS ON FUTURE CONSTRUCTION DRAWS TO REMAIN CONSISTENT WITH THE TERMS OF THE REDEVELOPMENT AGREEMENT. THE TIF BUDGET IS THE MAXIMUM ALLOWED FOR EACH LINE ITEM. THE PRIVATE FUNDS FROM FIRST CHICAGO WILL ALLOW THIS REALLOCATION OF LINE ITEMS PURSUANT TO THE CONSTRUCTION LOAN AGREEMENT BETWEEN FIRST CHICAGO AND WABASH LIMITED PARTNERSHIP. THE CURRENT ITEMS BUDGETED UNDER PRIVATE WILL NOT BE REALLOCATED TO THE TIF ON FUTURE CONSTRUCTION DRAWS.

NAME/ADDRESS	KIND OF WORK	B U D G E T \$		ADJUSTED	PREVIOUSLY PAID	AMOUNT OF THIS PMT	BALANCE TO BECOME DUE	TIF FUNDED	PRIVATELY FUNDED	BALANCE TO BECOME DUE \$		
		TIF \$	PRIVATE \$	TOTAL INCL EXTRAS/CREDIT						TIF \$	PRIVATE \$	
	FENCING	\$0	\$16,100	\$16,100	\$0	\$0.00	\$16,100.00	\$0.00	\$0.00	\$0.00	\$16,100.00	
	STORAGE LOCKERS	\$0	\$10,000	\$10,000	\$0	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00	
American Custom Flooring	WOOD FLOORING	\$287,000	\$0	\$287,000	\$0	\$6,046.00	\$280,954.00	\$6,046.00	\$0.00	\$286,954.00	\$0.00	
	CONCRETE-SIDEWALKS/GARAGES	\$120,000	\$0	\$120,000	\$0	\$0.00	\$120,000.00	\$0.00	\$0.00	\$120,000.00	\$0.00	
WA Anderson	CARPENTRY/MILLWORK	\$526,000	\$0	\$526,000	\$0	\$8,449.97	\$517,550.03	\$8,449.97	\$0.00	\$517,550.03	\$0.00	
	STAIRS	\$8,700	\$0	\$8,700	\$0	\$0.00	\$8,700.00	\$0.00	\$0.00	\$8,700.00	\$0.00	
CL Doucette	SPRINKLER SYSTEM	\$250,000	\$0	\$250,000	\$0	\$1,686.22	\$248,313.78	\$1,686.22	\$0.00	\$248,313.78	\$0.00	
	GARAGE DOORS	\$12,700	\$0	\$12,700	\$0	\$0.00	\$12,700.00	\$0.00	\$0.00	\$12,700.00	\$0.00	
	ROLLING GATES	\$19,600	\$0	\$19,600	\$0	\$0.00	\$19,600.00	\$0.00	\$0.00	\$19,600.00	\$0.00	
	FIRE ALARM SYSTEM	\$47,000	\$0	\$47,000	\$0	\$0.00	\$47,000.00	\$0.00	\$0.00	\$47,000.00	\$0.00	
	LOW VOLTAGE	\$48,000	\$0	\$48,000	\$0	\$0.00	\$48,000.00	\$0.00	\$0.00	\$48,000.00	\$0.00	
	CONTINGENCY	\$200,000	\$0	\$200,000	\$0	\$0.00	\$200,000.00	\$0.00	\$0.00	\$200,000.00	\$0.00	
	TOTAL SUBCONTRACTORS	\$6,501,790	\$615,169	\$7,116,959	\$0	\$368,888	\$6,748,070.66	\$361,695.49	\$7,188.85	\$6,140,090.51	\$607,980.15	
Kenard	GENERAL CONDITIONS	7.00%	\$455,125	\$43,062	\$498,187	\$0	\$25,822.18	\$472,364.95	\$25,318.96	\$503.22	\$429,802.34	\$42,558.61
Kenard	PROFIT/OVERHEAD	5.00%	\$325,099	\$10,756	\$335,855	\$0	\$19,090	\$316,765	\$18,717.95	\$372.02	\$308,047.55	\$30,818.43
	TOTAL HARD COSTS		\$7,282,005	\$685,987	\$7,967,992	\$0	\$413,060	\$7,554,930.26	\$573,271.40	\$15,250.94	\$7,406,733.35	\$673,732.34

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NAME/ADDRESS	KIND OF WORK	B U D G E T		ADJUSTED	PREVIOUSLY PAID	AMOUNT OF THIS PNT	BALANCE TO BECOME DUE	TIF FUNDED	PRIVATELY FUNDED	BALANCE TO BECOME DUE	
		TIF \$	PRIVATE \$	TOTAL INCL EXTRAS/CREDIT						TIF \$	PRIVATE \$
Axis International	SANBLAST/TKPT/OPENINGS	\$325,000	\$0	\$325,000	\$0	\$99,080.00	\$225,920.00	\$99,080.00	\$0.00	\$225,920.00	\$0.00
	GARAGE AREAS	\$175,000	\$0	\$175,000	\$0	\$0.00	\$175,000.00	\$0.00	\$0.00	\$175,000.00	\$0.00
	LANDSCAPING	\$12,700	\$0	\$12,700	\$0	\$0.00	\$12,700.00	\$0.00	\$0.00	\$12,700.00	\$0.00
Concrete Toppings	LIGHTWEIGHT CONCRETE	\$99,000	\$0	\$99,000	\$0	\$2,040.00	\$96,960.00	\$2,040.00	\$0.00	\$96,960.00	\$0.00
	TRASH SYSTEMS	\$10,000	\$0	\$10,000	\$0	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$0.00
Cassidy	PLASTERING	\$100,000	\$0	\$100,000	\$0	\$1,800.00	\$98,200.00	\$1,800.00	\$0.00	\$98,200.00	\$0.00
Lincoln	MIRRORS/MEDICINE CABINETS	\$15,700	\$0	\$15,700	\$0	\$137.05	\$15,562.95	\$137.05	\$0.00	\$15,562.95	\$0.00
Baslite	FIREPLACES	\$0	\$66,100	\$66,100	\$0	\$183.00	\$65,917.00	\$0.00	\$183.00	\$0.00	\$65,917.00
	CLEANING	\$0	\$17,400	\$17,400	\$0	\$0.00	\$17,400.00	\$0.00	\$0.00	\$0.00	\$17,400.00
	LIGHT FIXTURES	\$34,800	\$0	\$34,800	\$0	\$0.00	\$34,800.00	\$0.00	\$0.00	\$34,800.00	\$0.00
	ROOFING	\$84,540	\$0	\$84,540	\$0	\$0.00	\$84,540.00	\$0.00	\$0.00	\$84,540.00	\$0.00
	ROOF DECKS/109 DECK	\$0	\$10,000	\$10,000	\$0	\$0.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00
Rexx Rug	CARPET	\$52,200	\$0	\$52,200	\$0	\$305.00	\$51,895.00	\$305.00	\$0.00	\$51,895.00	\$0.00
Regency	TILE/ACCESSORIES	\$125,700	\$0	\$125,700	\$0	\$1,949.00	\$123,751.00	\$1,949.00	\$0.00	\$123,751.00	\$0.00
	PAVING	\$24,500	\$0	\$24,500	\$0	\$0.00	\$24,500.00	\$0.00	\$0.00	\$24,500.00	\$0.00

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Kenard Corporation

FILMWORKS LOFTS 0 4 0

Trade	Cost
APPLIANCES	\$129,400
ASBESTOS REMOVAL	29,850
BALCONIES	205,900
CABINETS	120,700
CARPENTRY / MILLWORK	526,000
CARPET	52,200
CLEANING	17,400
CONCRETE	120,000
COUNTERTOPS	39,100
DEMOLITION	235,000
DRYWALL / INSULATION	717,500
ELECTRICAL	435,000
ELEVATOR	294,000
EXCAVATION	20,000
EXERCISE EQUIPMENT	10,000
FENCING	16,100
FIRE ALARM SYSTEM	47,000
FIREPLACES	66,100
GARAGE AREAS	175,000
GARAGE DOORS	12,700
GAS PIPING	85,000
GLASS BLOCK	18,100
HVAC	425,000
LANDSCAPING	12,700
LIGHT FIXTURES	34,800
LIGHTWT. CONCRETE	99,000
LOBBY	50,000
LOW VOLTAGE	48,000
MAILBOXES	4,000
MASONRY	325,000
MIRRORS / M.C. / S.D.	15,700
PAINTING	252,300
PAVING	24,500
PLASTERING	100,000
PLUMBING	894,600
ROLLING GATES	19,600
ROOF DECK	10,000
ROOFING / FLASHING	84,500
SANDBLAST	100,000
SPRINKLER SYSTEM	250,000
STAIRS	8,700
STORAGE LOCKERS	10,000
TILE / ACCESSORIES	135,700
TRASH SYSTEMS	10,000
WINDOWS	340,000
WIRE SHELVING	7,500
WOOD FLOORING	287,000
CONTINGENCY	211,064
TOTAL SUBCONTRACTS	\$7,131,714
GENERAL CONDITIONS	499,220
PROFIT / OVERHEAD	369,066
TOTAL CONTRACT	<u>\$8,000,000</u>

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AMENDMENT TO 1987 EDITION OF
AIA DOCUMENT A201

October

This Amendment to 1987 Edition of AIA Document A201 is entered into this 27th day of ~~September~~, 1994 by and between Wabash Limited Partnership ("Owner") and Kenard Corporation ("Contractor") and is intended to be attached and made a part of the General Conditions of the Contract for Construction adopted by reference in the Standard Form of Agreement Between Owner and Contractor entered into by and between Wabash Limited Partnership and Kenard Corporation dated September 23, 1994. In the event of a conflict or inconsistency between the terms of the AIA Document A201 and this Amendment, the terms and conditions of this Amendment shall control.

ARTICLE I

1.2.6 "All Work shall conform to the Contract Documents. No change therefrom shall be made without review and written acceptance by Architect and Owner."

ARTICLE II

2.2.2 Subparagraph; Add at end: "In connection with the foregoing, Contractor shall be solely responsible for locating (and shall locate prior to performing any Work) all utility lines, telephone company lines and cables, sewer lines, water pipes, gas lines and buried telephone cables and shall perform the Work in such a manner so as to avoid damaging any such lines, cables, pipes and pipelines."

2.3.1 Subparagraph; Line 3; After "or" delete "persistently"; and beginning in Line 11; Delete ", except to the extent required by Subparagraph 6.1.3".

2.4.1 Subparagraph; delete the fourth grammatical sentence (beginning "Such action by the Owner") in its entirety.

ARTICLE III

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pno
~~3.2.1 Subparagraph; Line 4; After "Architect" add "and Owner"; Line 9; After "to the" add "Owner and"; Line 10; Delete "knowing it involves" and add "involving"; Line 11; Delete "recognized"; Line 12; After "Architect" add "and Owner"; Line 13; Delete "appropriate" and add "complete"; Line 14; Delete "an appropriate" and add "the full".~~

3.2.1.1 "If any errors, inconsistencies or omissions in Contract Documents are recognized by the Contractor, any member of its organization, or any of its Subcontractors, the Contractor shall be responsible for notifying the Owner and Architect of such error, inconsistency, or omission before proceeding with the Work. The Architect will take such notice under advisement and within a reasonable time commensurate with job progress render a decision. The Architect's decision

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shall be subject to Owner's approval. If Contractor fails to give such notice and proceeds to the Work, it shall correct any such errors, inconsistencies or omissions at no additional cost to Owner."

3.3.2 Subparagraph; Line 4; At the end of Section 3.3.2 add: "It is understood and agreed that the relationship of Contractor and Owner shall be that of an independent contractor. Nothing contained herein or inferable herefrom shall be deemed or construed to (1) make Contractor the agent, servant, or employee of the Owner, or (2) create any partnership, joint venture or other association between Owner and Contractor".

3.3.5 "The Contractor has the responsibility to ensure that all material suppliers and Subcontractors, their agents, and employees adhere to the Contract Documents, and that they order materials on time, taking into account the current market and deliver conditions and that they provide materials on time.

3.3.6 "The Contractor shall provide access to the Work for the Owner, the Architect, other persons designated by Owner, and governmental inspectors.

3.4.3 Materials shall be installed in strict accordance with manufacturer's directions. The Contractor shall, if required by the Owner or Architect, furnish satisfactory evidence as to the kind and quality of any materials. All packaged materials shall be shipped to the site in the original containers clearly labeled, and delivery slips shall be submitted with bulk materials identifying thereon the source.

3.5.1 Subparagraph; Line 5; After "from" add "faults and"; and Line 13; After "by the " add "Owner or".

3.5.2 "Except when a longer warranty time is specifically called for in the Specification Sections or is otherwise provided by law, the General Warranty shall be for twelve (12) months from the completion of each condominium unit and substantial completion of all common areas."

3.5.3 "Warranties shall become effective on a date established by the Owner and Architect in accordance with the Contract Documents. These dates shall be the Date of Substantial Completion of the individual condominium units and the common areas."

3.7.4 Subparagraph; Line 1; Delete "knowing it to" and add "(including, without limitation, the installation of any materials or equipment) that it knows would"; Line 3; Delete "without such notice to the Architect and Owner"; Line 5; Delete "the attributable costs" and add "all costs attributable to the

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correction thereof or related thereto (including all fines and penalties)."

3.12.11 Subparagraph; Line 3; After "rely" add "in a reasonable and professional fashion".

3.18 Subparagraph; Line 1; Delete "To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless Owner, Architect, Architect's consultants and agents and employees of any of them" and add "To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless Owner, Owner's partners, agents, employees, and affiliates of Owner and of any partner, Architect, Architect's consultants, agents and employees, and the directors, officers, shareholders, employees and agents of any of the above mentioned parties".

ARTICLE IV

4.1.2 This Paragraph is deleted in its entirety.

4.1.4 This Subparagraph is deleted in its entirety.

4.2.1 Beginning on Line 2; after "Documents", delete the balance of the first sentence of this Subparagraph.

4.2.2 Subparagraph; Line 2; after "construction" add "and the status of the Project"; and after "become", delete "generally"; Line 3; After "the" delete "completed"; Beginning in Line 4; Before "if" delete "in general"; and after "is" delete the balance of the first sentence and add "proceeding in accordance with the Contract Documents"; Beginning in Line 6; Delete the second sentence of this Subparagraph in its entirety; and Line 10; Delete "endeavor" and add "use best efforts".

4.2.3 Subparagraph; Beginning in Line 2; Delete "construction means, methods, techniques, sequences or procedures, or for"; and beginning in Line 4; After "Work" delete the balance of the Subparagraph and add "The Architect shall be responsible for promptly notifying the Owner of the failure of Contractor, Subcontractors or any other persons performing any of the Work, in failing to use proper construction means, methods, techniques, sequences, procedures, safety precautions and programs, but only to the extent Architect becomes aware of, or should, exercising due professional diligence, be aware of same. The Architect shall also promptly notify Owner in writing of the failure of any of the foregoing parties to carry out Work in accordance with the Contract Documents."

4.2.4 Subparagraph; Line 4; after "authorized" add "by Owner"; and after "shall" delete "endeavor to"; Line 5; After "Architect" add "; provided, however, that Owner may instruct, correspond or negotiate with Contractor directly and in such event

shall forward a copy of any writing to Architect and shall advise Architect of any significant instruction, correspondence, or negotiation and shall afford the Architect an opportunity to attend any formal discussions directly between Owner and Contractor, if appropriate."

4.2.5 Subparagraph; Beginning on Line 1; After "evaluation of" delete the balance of the Subparagraph and add "the progress and quality of the Work and Contractor's application for payment and all other information available, the Architect shall review and, after consultation with the Owner, certify the amounts due Contractor."

4.2.6 Subparagraph; Line 1; After "have" add "the responsibility and"; and delete "Whenever the" and add "Whenever, in the Architect's reasonable and professional opinion,"; Line 5; After "authority" add "subject to the Owner's prior approval,"; and delete the last sentence of this Subsection.

4.2.7 Subparagraph; Line 1; After "will" add "promptly" and after "approve" add "or reject"; Beginning in Line 3; Delete "but only for the limited purpose of checking"; and delete the third and fifth sentences in their entirety.

4.2.8 Subparagraph; Add at end: "All Change Orders, Construction Change Directives, and field directives shall require the approval of Owner in writing to be binding on Owner."

4.2.9 Subparagraph; Line 3; After "completion" add "shall issue a Certificate of Substantial Completion and when as required by the Contract Documents," and after "receive" add "review"; Line 4; after "review" add ", approval".

4.2.11 Subparagraph; Add at beginning: "Subject to Paragraph 4.3 hereinbelow in respect of Claims,"; Line 1; Delete "The" and add "the"; and after "will" add ", in the first instance,"; Delete the second and third sentences in their entirety and add: "Upon receipt of such request from either the Owner or Contractor, the Architect shall promptly notify the non-requesting party in writing of the details of such request. The Architect's response to such requests will be made (after notifying the non-requesting party as provided for in the preceding sentence) with reasonable promptness, and in no event later than fifteen (15) days after the date on which such request is made"; and add at end: "Should a conflict be discovered within the Contract Documents, the CONTRACTOR SHALL BE DEEMED TO HAVE AGREED TO PERFORM THE MOST STRINGENT OR HIGHEST QUALITY WAY OF PERFORMING THE WORK unless it shall have asked for and obtained a decision, in writing, approved by Owner, from the Architect before entering into this Contract."

4.2.12 Subparagraph; Line 2; After "with the" add "language and"; Line 4; After "drawings" add "as required by Owner" and after

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"such" add "initial"; and Line 6; after "Contractor" add "and" and delete everything after "either".

4.2.13 This Subparagraph is deleted in its entirety.

4.2.14 Architect shall issue to Owner separate certificates of Substantial Completion on a unit by unit basis, if Owner's condominium purchasers require such a certificate.

4.3.2 Subparagraph; Beginning in Line 1; Delete ", including those alleging an error or omission by the Architect, shall" and add "may, upon request of both the Contractor and the Owner,"; and delete the second and third sentences in their entirety.

4.3.4 Subparagraph; Line 2; Delete "agreed" and add "directed by Owner".

4.3.5 Subparagraph; Line 2 of Clause .2; Delete "or"; Line 2 of Clause .3; delete "." and add "; or"; and add at end: ".4 faulty or defective Work appearing after Substantial Completion."

4.3.9 Subparagraph; Line 1; After "Property." add "Subject to the parties' obligations and responsibilities under the Contract Documents in general and Article 11 hereof in particular," and delete "If" and add "if"; and Line 7; Delete "21" and add "10".

4.4.1 Subparagraph; Line 1; After "Architect" add "(if the matter is referred to the Architect for initial decision)".

4.4.2 Subparagraph; Line 1; After "Architect" add "or, at Owner's sole option, Owner".

4.4.4 Subparagraph; Line 5; Delete "final and" and add "considered advisory only and not".

ARTICLE V

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~~5.2.1 Subparagraph; Line 9; Delete "reasonable"; and delete the last sentence in its entirety.~~

5.2.2 Subparagraph; Beginning in Line 2; Delete "reasonable and".

5.2.3 Subparagraph; Line 1; Delete "reasonable"; Line 4; delete "reasonable"; and delete the last two sentences in their entirety.

5.2.4 Subparagraph; Line 3; Delete "reasonable".

5.2.6 It is understood that in the event of a conflict between Owner and Architect regarding the selection of

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Subcontractors, the Owner's decision in selection of Subcontractors shall govern.

ARTICLE VI

6.1.4 This Subparagraph is deleted in its entirety.

6.2.3 Subparagraph; Line 1; Add at beginning: "Subject to Paragraph 8.3 hereof," and delete "Costs" and add "costs".

6.2.4 Subparagraph; Beginning in Line 1; After "damage" delete "wrongfully".

6.2.6 This Subparagraph is deleted in its entirety.

6.3.1 Subparagraph; Line 6; Delete "as the Architect determines to be just".

ARTICLE VII

7.1.2 Subparagraph; Line 6; Delete "alone" and add "and is subject to the approval of Owner."

7.3.1 Subparagraph; Beginning in Line 1; Delete "prepared by the Architect" and add "directed to the Contractor".

7.3.4 Subparagraph; Line 3; After "Architect" add "and Owner".

7.3.6 Subparagraph; Beginning in Line 2; After "Sum" delete "the method and adjustment shall be determined by the Architect" and add "or if time requirements dictate (in the Owner's reasonable opinion), the Architect shall make all required certifications with respect to such Work, and the cost of such work shall then be determined by the Owner"; Beginning in Line 6; After "Sum" delete "a reasonable allowance for" and add "a percentage fee for"; Line 7; After "profit" add "not to exceed five percent (5%) of the total of all Subcontract costs plus 2.5% of General Conditions.; Line 9; After "Architect" add "and the Owner" and after "accounting" add "of actual costs"; Line 10; Delete "Unless otherwise provided in the Contract Documents, costs for" and add "For"; Line 12; After "Subparagraph" delete the balance of the sentence and add "actual cost shall be defined and limited to the cost of the following:".

7.3.6.3 Clause; Line 1; Before "rental" add "reasonable"; Line 2; After "tools" add ", obtained and used specifically for such Work,".

7.3.6.4 Clause; Line 2; After "taxes" delete the balance of the sentence and add "directly attributable to such Work."

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The following shall be added after Clause 7.3.6.4: "Actual cost does not include any item which could be deemed to be a general conditions cost or overhead, such as but not limited to, the cost of Contractor and Subcontractor supervisory personnel assigned to the Work, and field office and related expenses."

7.3.6.5 This Clause is deleted in its entirety.

7.3.7 Subparagraph; Line 1; After "of" add "actual"; and Line 6; After "Architect" add "and Owner."

7.3.8 Subparagraph; Line 3; After "be" delete the balance of Subparagraph and add "determined in accordance with Paragraph 8.3 hereof."

7.3.9 This Subparagraph is deleted in its entirety and the following shall substitute:

"When the adjustments in the Contract Sum and Contract Time are determined as provided herein, such determination shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order."

7.4.1 Subparagraph; Line 1; After "authority" add ", subject to the approval of the Owner in each instance,"; Line 3; After "with the" add "language and".

7.4.2 The Owner will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be administered in accordance with the procedures set forth in Paragraph 7.3 hereof, except that a Construction Change Directive issued to the Contractor pursuant to this Subparagraph 7.4.2 may or may not be signed by the Architect.

ARTICLE VIII

No Changes.

ARTICLE IX

9.2.1 Subparagraph; Line 2; After "the" add "Owner and"; Line 3; After "Architect" add "and Owner"; Line 5; After "Architect" add "and Owner".

9.5.1.6 Clause; Line 2; Delete "and" and add "or".

9.5.1.7 Clause; Line 1; Delete "persistent".

9.8.1 Subparagraph; Line 2; After "thereof" add "(which the Owner agrees to accept separately)"; and add at the end: "The

Work will not be considered suitable for Substantial Completion review until all Project systems included in the Work are operational as designed and scheduled, all designated or required governmental inspections and certifications have been made and posted, and all final finishes within the Contract are in place. In general, the only remaining Work shall be minor in nature, so that the Owner and Owner's tenants and purchasers can occupy the condominium units and related portion of the common areas on that date and the completion of the Work by the Contractor would not materially interfere or hamper the Owner's or Owner's tenants' or purchasers' (or those claiming by, through or under Owner) normal quiet enjoyment of the premises. As a further condition of Substantial Completion acceptance, the Contractor shall certify that all remaining Work will be completed within thirty (30) consecutive calendar days or as agreed upon following the Date of Substantial Completion, on a unit by unit basis.

9.10.2 Subparagraph; Beginning in Line 12; After "statement" add "satisfactory to Owner"; Line 15; Delete "and (5)," and add ", (5)"; Line 19; After "Owner" add: "and the Owner's lender, and (6) evidence of compliance with all requirements of the Contract Documents: notices, certificates, affidavits, other requirements to complete obligations under the Contract Documents: including but not limited to (a) instruction of Owner's representatives in the operation of mechanical, electrical, plumbing and other systems, (b) delivery to Owner of each written warranty and assignment thereof prepared in duplicate, certificates of inspections, and bonds for Architect's review and delivery to Owner, (c) delivery to Owner of a Final Waiver of Liens covering all Work including that of all Subcontractors, vendors, labor, materials and services, executed by and authorized officer and duly notarized. In addition to the foregoing, all other submissions required by other Articles and Paragraphs of the Specifications including final construction schedule, shall be submitted to the Architect before approval of final payment."

9.10.4 Subparagraph; Line 4; After "unsettled" delete balance of Subparagraph and add "on payee's final Application for Payment. Such waivers shall be in addition to the waiver described in Subparagraph 4.3.5."

ARTICLE X

10.2.2 Subparagraph; Add at end: "Contractor shall provide all facilities and shall allow all procedures required by the Occupational Safety and Health Act (OSHA) including, but not limited to providing and posting all required posters and notices, and shall otherwise be responsible for all other mandatory safety laws."

ARTICLE XI

Article XI is deleted in its entirety (except for Subparagraph 11.4.2) and the following shall substitute:

11.1 CONTRACTOR'S INSURANCE

11.1.1 Contractor shall, without in any way altering Contractor's liability under the Contract or applicable law, obtain, pay for and maintain insurance for the coverages and amounts of coverage not less than those set forth below in the Schedule of Insurance Coverages and shall provide to Owner certificates issued by insurance companies satisfactory to Owner to evidence such coverage before any Work commenced at the Project site. Such certificates shall provide that there shall be no termination, nonrenewal, modification or expiration of such coverage without thirty (30) days' prior written notice to the owner. In the event of any failure by Contractor to comply with the provisions of this Paragraph 11.1, Owner may, at its option and upon notice to Contractor, suspend the Contract for cause until there is full compliance with this Paragraph 11.1 and/or terminate the Contract for cause. Alternatively, Owner may purchase such insurance at Contractor's sole expense, provided that Owner shall have no obligation to do so and if Owner shall do so, Contractor shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages. Contractor shall provide to Owner a certified copy of any and all applicable policies upon request of the Owner.

11.1.2 Further, Contractor shall require all Subcontractors to carry similar insurance coverages and limits of liability as required under this Article 11, adjusted to the nature of Subcontractor's operations and submit same to Owner for approval before any Work commences.

11.1.3 In the event Contractor fails to obtain the required certificates of insurance from the Subcontractors and a claim is made or suffered, the Contractor shall indemnify, defend and hold harmless Owner, Owner's partners, the parent companies and affiliates of Owner and of any partner, and Architect and the shareholders, officers, directors, agents and employees of any of the above mentioned parties from any and all claims for which the required insurance would have provided coverage. This indemnity obligation is in addition to any other indemnity obligation provided in the Contract.

11.2 SCHEDULE OF INSURANCE COVERAGES

11.2.1 Worker's Compensation. Coverage complying with Illinois law and Employer's Liability insurance with a limit of \$1,000,000 each accident, including occupational disease coverage

*First Chicago Bank loan agreement
with Wabash Limited Partnership
and City of Chicago
Redevelopment agreement
with Wabash Limited Partnership*

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with a limit of \$1,000,000 per person subject to aggregate limit of \$1,000,000.

11.2.2 Comprehensive Automobile Liability Insurance. \$1,000,000.00 combined single limit of liability for bodily injuries, death and property damage resulting from any one occurrence, including all owned, hired and non-owned vehicles.

11.2.3 Comprehensive General Liability Insurance. \$1,000,000.00 combined single limit of liability for bodily injuries, death and property damage, and personal injury resulting from any one occurrence, including the following:

- 11.2.3.1 Premises and Operations (including Elevator);
- 11.2.3.2 Completed Operations for three (3) years after completion of the Work;
- 11.2.3.3 Broad Form Comprehensive General Liability endorsement to include Blanket Contractual Liability (specifically covering, but not limited to, the contractual obligations assumed by Contractor in Subparagraph 11.1.3 and Paragraph 11.8 hereof), Personal Injury (with employment and contractual exclusions deleted) and Broad Form Property Damage coverage;
- 11.2.3.4 Independent Contractors;
- 11.2.3.5 Delete exclusions relative to Collapse, Explosion and Underground Property Damager Hazards; and
- 11.2.3.6 Cross Liability endorsement.

11.2.4 Umbrella (Excess) Liability Insurance. Umbrella Liability with limits of not less than \$3,000,000.00 to be excess of Subparagraphs 11.2.1, 11.2.2 and 11.2.3 above. Such coverage shall be at least as broad as the primary coverages in 11.2.1, 11.2.2 and 11.2.3 above, with any excess umbrella layers written on a strict following form basis over the primary umbrella. All such policies shall be endorsed to provide defense coverage obligations.

11.3 BUILDER'S RISK INSURANCE.

11.3.1 Owner shall carry all-risk builder's risk insurance (subject to a combined deductible per loss not to exceed \$50,000) for the full insurable value of all labor and materials incorporated into the construction of the Work. Insurance is to cover real and personal property after it is received at the Project site and/or staging area (but not while otherwise stored off-site or in transit). The policy so purchased shall insure Owner, the Contractor and Subcontractors as their interest may appear and shall be so written as to provide for reimbursement, in the event of claim for loss or damage, for the entire cost, less deductible amount as specified above, of repairing or replacing,

reconditioning or reerecting the property lost or damaged with materials of similar kind and quality, including, but not by way of limitation, the cost of materials, labor, supervision, engineering, transportation, insurance premium and taxes.

~~11.3.2 Contractor shall be responsible for the deductible of up to \$50,000 per loss.~~

11.3.3 Any insured loss or claim of loss pursuant to this Paragraph 11.3 shall be adjusted by the Owner, and any settlement payments shall be made payable to the Owner as trustee for the insureds, as their interests may appear, subject to the requirements of any applicable mortgagee clause. Upon the occurrence of an insured loss or claim of loss, monies received will be held by Owner who shall make distribution in accordance with an agreement to be reached in such event between Owner and Contractor. If the parties are unable to agree between themselves on the settlement of the loss, such dispute shall be submitted to a court of competent jurisdiction to determine ownership of the disputed amounts by the Work of the Project shall nevertheless progress during any such period of dispute without prejudice to the rights of any party to the dispute.

11.3.4 Owner shall not insure nor be responsible for any loss or damage to property of any kind owned, rented or leased by Contractor, Subcontractors, or their employees, servants or agents, other than property which will become a part of the permanent construction.

11.3.5 Notwithstanding anything contained in the Contract to the contrary, the all-risk builder's risk insurance carried by Owner hereunder contains certain exclusions. It is Contractor's responsibility to evaluate the protection afforded by Owner's all-risk builder's risk insurance and to carry its own insurance against all losses not covered by said policy. A copy of Owner's all-risk builder's risk insurance will be available for Contractor's inspection at Owner's Project office.

11.4 CONTRACTOR'S EQUIPMENT INSURANCE

11.4.1 With respect to Contractor's operations, Contractor shall purchase maintain and pay for all-risk Contractor's equipment floater on all machinery, tools, equipment and other similar property in an amount at least equal to their fair market value and any deductible shall be for the account of Contractor. This insurance coverage shall be the sole and complete means of recovery for any loss covered by such insurance.

(Subparagraph 11.4.2 shall remain intact)

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11.5 RELEASE AND WAIVER

11.5.1 Contractor hereby releases, and shall cause its Subcontractors and suppliers to release, Owner, Owner's partners and affiliates of Owner and of any partner, Architect, and the directors, officers, shareholders, employees and agents of any of the above mentioned parties (the "Released Parties") from any and all claims or causes of action whatsoever which Contractor and/or such parties might otherwise possess resulting in or from or in any way connected with any loss covered or which should have been covered by insurance, including the deductible portion thereof, maintained and/or required to be maintained by Contractor and/or its Subcontractors and suppliers pursuant to the Contract. This release is further intended to bind Contractor's and such parties' insurers providing the above stated insurance coverages, and Contractor agrees to inform and obtain permission from its insurers, to so release the Released Parties from any and all claims or causes of action as provided above, so as to effectively waive any subrogation rights of said insurers.

11.6 CLAIMS MADE POLICY

11.6.1 With respect to any of the insurance policies provided by Contractor pursuant to the Contract which are "claims made" policies, in the event at any time any such policies are canceled or not renewed, Contractor shall provide a substitute insurance policy(ies) with terms and conditions and in amounts which comply with the terms of the Contract and which provides for retroactive coverage to the date of cancellation or nonrenewal to fill any gaps in coverage which may exist due to the cancellation or nonrenewal of the prior "claims made" policy(ies) With respect to all "claims made" policies which are renewed, Contractor shall provide coverage retroactive to the date of commencement of the Work in said renewed policy. All said substitute or renewed "claims made" policies shall be maintained in full force and effect for the longer of: (1) three (3) years from the date of completion of the Work, or (2) as otherwise required by the Contract Documents. A Certificate evidencing continuation of such policies shall be submitted with the final Application for Payment as required by Subparagraph 9.10.2. Nothing herein shall affect the continuing effect of the indemnity clauses in the Contract.

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ARTICLE XII

12.2.3 Subparagraph; Line 2; After "are" add "defective or otherwise".

12.2.4 Subparagraph; Line 1; After "correct" add "defective or otherwise"; Line 4; After "such" add "defective or otherwise".

12.2.5 Subparagraph; Line 4; After "caused" add "in whole or in part"; and Line 5; After "is" add "defective or otherwise".

12.3.1 Subparagraph; Line 1; After "is" add "defective or otherwise".

ARTICLE XIII

13.1 MISCELLANEOUS PROVISIONS

13.6.1 Subparagraph; Line 4; After "thereof" delete the balance of the Subparagraph and add: "at the prime rate announced as charged by First National Bank of Chicago, Chicago, Illinois, to its best large commercial borrowers for ninety- (90-) day unsecured loans while said amount is unpaid; provided, however, that amounts controverted in good faith shall not bear interest until and unless determined in the first instance to be due by the Architect (if the matter is referred to the Architect for initial decision) as provided under Article 4 hereof. In no event shall any interest be due and payable by Owner to Contractor, any Subcontractor or any other party on any of the sums properly retained by Owner pursuant to any of the terms or provisions of any of the Contract Documents."

13.7.1 This Subparagraph is deleted in its entirety and the following shall substitute:

"Each party shall promptly pay to the other all costs and reasonable attorneys' fees incurred in connection with any legal action in which such party prevails, in whole or in part, based on a breach of the Contract or other dispute arising out of or in connection with the Contract."

ARTICLE XIV

14.1.3 This Subparagraph is deleted in its entirety and the following shall substitute:

"The Owner shall not be responsible for damages or loss of anticipated profits on Work not performed on account of any termination described in Subparagraphs 14.1.1 and 14.1.2 above."

14.2.1.1 Clause; Line 1; Delete "persistently or repeatedly"; Line 2; After "materials" add "and equipment";

14.2.1.2 Clause; Line 1; After "materials" add "and/or equipment";

14.2.1.3 Clause; Line 1; Delete "persistently"; and Line 3; Delete "or";

14.2.1.4 This Clause is deleted in its entirety and the following shall substitute:

"4 disregards the instructions of Architect or Owner (when such instructions are based on the requirements of the Contract Documents);";

14.2.1.5 is adjudged a bankrupt or insolvent, or makes a general assignment for the benefit of Contractor's creditors, or a trustee or receiver is appointed for Contractor for any of its property, or files a petition to take advantage of any debtor's act, or to reorganize under bankruptcy or similar laws; or

14.2.1.6 otherwise does not fully comply with the Contract Documents.

14.2.2 Subparagraph; Beginning in Line 1; After "Owner" delete ", upon certification by the Architect that sufficient cause exists to justify such action,"; Line 5; Delete the balance of the Subparagraph and the following shall substitute:

- ".1 take possession of the site and Project and of all materials, equipment, tools and construction equipment and machinery thereon owned, rented or leased by the Contractor; and
- .2 finish the Work by whatever method the Owner may deem expedient."

14.2.4 This Subparagraph is deleted in its entirety and the following shall substitute:

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"To the extent the costs of completing the Work, including compensation for additional professional services and expenses, exceed those costs which would have been payable to Contractor to complete the Work except for Contractor's default, Contractor will pay the difference to Owner, and this obligation for payment shall survive termination of the Contract. Such costs incurred by Owner will be determined by the Owner and confirmed by the Architect."

This Amendment having been entered into by and between the parties as of the date referred to above.

CONTRACTOR:
KENARD CORPORATION

OWNER:
WABASH LIMITED PARTNERSHIP

BY: _____

BY: 1322 WABASH CORPORATION
Robert J. ... President

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