17-05-212-004;

17-05-212-005;

17-05-212-006;

17-05-212-007;

17-05-212-008;

17-05-212-009; and

17-05-212-010.

REDEVELOPMENT AGREEMENT WITH CD-EB/EP RETAIL JV, LLC FOR CONSTRUCTION OF RETAIL DEVELOPMENT AT 14 -- 40 S. HALSTED ST.
[O2011-7319]

The Committee on Finance submitted the following report:

CHICAGO, October 5, 2011.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the Department of Housing and Economic Development to enter into and execute a redevelopment agreement with CD-EB/EP Retail JV, LLC, amount of bonds not to exceed: $7,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Alderman Burke abstained from voting pursuant to Rule 14.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Moreno, Fioretti, Dowell, Burns, Hairston, Sawyer, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Quinn, Foulkes, Thompson, Thomas, Lane, O'Shea, Cochran, Brookins, Muñoz, Zalewski, Chandler, Maldonado, Burnett, Ervin, Graham, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Sposato, Mitts, Cullerton, Laurino, P. O'Connor, M. O'Connor, Reilly, Smith, Tunney, Arena, Cappleman, Pawar, Osterman, Moore, Silverstein -- 48.

Nays -- None.

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

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on March 23, 1989 and published at pages 25874 through 25933 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, the Madison-Racine Redevelopment Project Area (the "Madison-Racine Area") was designated a redevelopment project area pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and a redevelopment plan and project and tax increment allocation financing were adopted for the Madison-Racine Area; and

WHEREAS, In order to expand the boundaries of the Madison-Racine Area and induce additional redevelopment, the City Council, pursuant to an ordinance adopted on June 10, 1996 and published at pages 23188 through 23346 of the *Journal* of such date, approved a certain redevelopment plan and project (the "Near West Plan") for the Near West Redevelopment Project Area (the "Near West Area") pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1996 and published at pages 23346 through 23357 of the *Journal* of such date, the Near West Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council on June 10, 1996 and published at pages 23356 through 23368 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Near West Area redevelopment project costs (as defined in the Act) incurred pursuant to the Near West Plan; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 6, 2001 and published at pages 59238 through 59240 of the *Journal* of such date, the City Council amended the Near West Plan to, in part, establish the date by which the redevelopment project is to be completed and all obligations retired as December 31, 2013; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on July 28, 2011, the Near West Plan was further amended to increase the Near West Area's budget; and

WHEREAS, CD-EB/EP Retail JV, LLC, an Illinois limited liability company (the "Company"), has acquired an approximately 1.45-acre site located within the Near West Area at 14 -- 40 South Halsted Street, Chicago, Illinois (the "Site") and shall commence and complete the construction of an approximately 95,125 square foot retail development consisting of approximately 23,530 square feet of ground floor neighborhood retail uses and approximately 71,595 square feet of first level, mezzanine and second level floor area containing a grocery store thereon (the "Project"); and

WHEREAS, The Company has proposed to undertake the redevelopment of the Site in accordance with the Near West Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City to be financed in part by Incremental Taxes, if any, deposited in the Near West Redevelopment Project Area Special Tax Allocation Fund (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, Pursuant to Resolution Number 11-CDC-33 adopted by the Community Development Commission of the City (the "Commission") on July 12, 2011, the Commission recommended that the Company be designated as the developer for the Project and that the City's Department of Housing and Economic Development ("HED") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project, now, therefore,

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

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

SECTION 2. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74 4-4 of the Act.

SECTION 3. The Commissioner of HED (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall be in full force and effect immediately upon its passage.

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

Exhibit "A".
(To Ordinance)

The Gateway (Monroe And Halsted)
Redevelopment Agreement.

This Gateway (Monroe and Halsted) Redevelopment Agreement (this "Agreement") is made as of this ___ day of _____, 2011, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and CD-EB/EP Retail JV, LLC, an Illinois limited liability company ("Developer").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 23, 1989: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Madison-Racine Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Madison-Racine Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Madison-Racine Redevelopment Project Area" (items(1)-(3) collectively referred to herein as the "Original TIF Ordinances" and the redevelopment project area referred to above is referred to herein as the "Original Redevelopment Area").

In response to the City's desire to expand the boundaries of the Original Redevelopment Area and induce additional redevelopment pursuant to the Act, the City Council amended the Original TIF Ordinances by adopting the following ordinances on June 10, 1996: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Near West Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Near West Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Near West Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The Near West Redevelopment Project Area (the "Redevelopment Area") is legally described in Exhibit A hereto.

Pursuant to an ordinance adopted by the City Council on June 6, 2001, the City Council amended the Redevelopment Plan (as defined below) to, *inter alia,* establish the date by which the redevelopment project is to be completed and all obligations retired as December 31, 2013. Furthermore, pursuant to an ordinance adopted on July 28, 2011, the Redevelopment Plan was further amended to increase the Redevelopment Area's budget.

D. The Project: The Developer has acquired (the "Acquisition") a redevelopment site consisting of approximately 1.45 acres of vacant land located within the Redevelopment Area at the northwest corner of South Halsted Street and West Monroe Street at 14-40 South Halsted Street, Chicago, Illinois 60661 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete the construction of an approximately 95,125 square foot retail development consisting of approximately 23,530 square feet of ground floor neighborhood retail uses and approximately 71,595 square feet of first level, mezzanine and second level floor area containing a grocery store (the "Facility") thereon.

The Property is currently owned by Chitown-Diamond JV, LLC, a member of the Developer, and is currently used as a parking lot. The Developer has entered into a lease with Roundy's Supermarkets, Inc. (d/b/a Mariano's Fresh Market) for the grocery store space. The Facility will include approximately 220 parking spaces located on the ground level and on an upper level parking deck. Forty-five of the parking spaces are contemplated to be located in a ground-floor parking garage located in the western half of the building, and this parking area will also include the entrance ramp to the third-floor parking deck, which would provide the remaining 180 parking spaces. The entrance to the ground-floor parking garage, the third-floor parking deck, and surface-area parking spaces will be accessed from West Monroe Street, via Academy Place and from an entrance/exit on Green Street.

The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

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

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Taxes (as defined below), to pay for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. The City's obligation to pay the City Funds (as defined below) shall be subordinate to other planned obligations of the City with respect to the Redevelopment Area existing as of the date of City Council approval of this Agreement, including but not limited to:

[To be determined at the Closing Date]

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

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

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

"Anchor Tenant" shall mean Roundy's Supermarkets, Inc. (d/b/a Mariano's Fresh Market), or such other tenant that may be approved in HED's sole discretion.

"Annual Compliance Report" shall mean a signed report from the Developer to the City submitted in March of each year for ten years following issuance of the Certificate (a) itemizing each of the Developer's obligations under this Agreement during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of certified employment reports for the Project; (2) delivery of certified occupancy reports for the Project; (3) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (6) compliance with all other executory provisions of this Agreement.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes currently on deposit in the Near West TIF Fund on the Closing Date.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.04 hereof.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code of Chicago.

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

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

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

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

"City Funds" shall mean the funds paid to the Developer at Closing, pursuant to Section 4.03, hereof.

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

"Completion Date" shall mean the date the City issues the Certificate described in Section 7.01 hereof.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

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

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

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

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

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

"General Contractor" shall mean the general contractor(s) 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.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.04(g) hereof.

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

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Junior Mortgage" shall have the meaning set for in Section 7.04 hereof.

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

"Letter of Credit" shall mean the initial irrevocable, direct pay Letter of Credit naming the City as the sole beneficiary for Seven Million Dollars ($7,000,000) delivered to the City pursuant to Sections 4.03 (b) and 4.07 hereof, and, unless the context or use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the City, in form and substance satisfactory to the City in its sole and absolute discretion, and any extensions thereof.

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

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

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

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

"Near West TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

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

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

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Planned Development" shall mean the Business Planned Development (BPD) No. ___.

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

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

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

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

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

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

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

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

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

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending ten (10) years following the issuance of the Certificate.

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

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

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

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

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than December 31, 2011; and (ii) complete construction and conduct business operations therein no later than June 1, 2013. HED must be notified in writing of and approve any delays to the above Project construction dates.

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

3.03 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project of Forty-Two Million Two Hundred Seventy-Five Thousand and Two Hundred and Thirty-Seven Dollars ($42,275,237). The Developer hereby certifies to the City that (a) in addition to the City Funds it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to HED certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to HED concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to HED for HED's prior written approval: (a) an increase or reduction in the square footage of the Facility of more than 5%; (b) a change in the use of the Property to a use other than the Project description contained in Recital D above ; (c) a delay in the

commencement and completion of the Project of more than 180 days; (d) Change Orders resulting in an increase or decrease to any line item in the Project Budget or the Project Budget in aggregate of 10% or more; (e) changes to the environmentally-friendly features of the Project as described in the Planned Development; and (f) any changes to the use of the anchor tenant space, including but not limited to, a change of the Anchor Tenant of the Project to a user other than Roundy's Supermarkets Inc. (d/b/a Mariano's Fresh Market), prior to the issuance of the Certificate.

The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of HED's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide HED with written quarterly 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 HED's written approval pursuant to Section 3.04). The progress reports shall also include duplicates of applicable support documentation verifying the receipt and disbursement of overall Project funds, including but not limited to, invoices, canceled checks, partial and final waivers-of-lien, and other documentation that may be requested in HED's reasonable discretion. The Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect approved by HED shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project; provided, the Developer's Project architect may perform this role. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project.

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $42,275,237, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Developer Equity	$	5,250,000
Land Equity	$	275,237
Lender Financing	$	29,750,00
City Funds	$	7,000,000
ESTIMATED TOTAL	$	42,275,237

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

4.03 City Funds.

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

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

Source of City Funds	Maximum Amount
Available Incremental Taxes	$7,000,000

provided, however, that the $7,000,000 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Incremental Taxes deposited into the Near West TIF Fund shall be sufficient to pay for such costs;

(ii) The Developer certifies to the City (and the City approves such certification) that it has paid for at least $7,000,000 in TIF-eligible costs prior to the Closing Date; and

(iii) The Developer delivers to the City the Letter of Credit in the amount of $7,000,000 on the Closing Date.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $7,000,000 is contingent upon the fulfillment of the conditions set forth in parts (i), (ii) and (iii) above.

4.04 Requisition Form; Preconditions of Disbursement of City Funds. On the Closing Date, the Developer shall provide HED with a Requisition Form in substantially similar form to Exhibit J, along with the documentation described therein. Delivery of the Requisition Form by the Developer to HED shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity; and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City,

deposit with the escrow agent, if any, or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and the disbursement of the City Funds shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds, including but not limited to the deposit with the City of the Letter of Credit as set forth in Section 4.03(b) of this Agreement and the requirements set forth in the TIF Ordinances and this Agreement.

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

(b) [INTENTIONALLY DELETED]

(c) [INTENTIONALLY DELETED]

(d) 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 HED, being prohibited; provided, however, that the total amount of expenditures related to TIF-Funded Improvements shall not be less than $7,000,000.

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

4.07 Issuance of Letter of Credit. On the Closing Date, or at such other time approved by HED, the Developer will post an unconditional, irrevocable Letter of Credit from an issuer acceptable to HED in its sole discretion in the full amount of the City Funds paid to Developer. The Letter of Credit will be renewed and maintained in the full amount of the City Funds until the issuance of the Certificate described in Section 7.01. Prior to issuance, the Developer shall deliver the proposed Letter of Credit to HED for HED's approval, in its sole and absolute discretion, of its form and substance and of the identity of the issuer.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section15 hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to HED.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. The Developer has delivered to HED a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to the covenants set forth in Section 8.02 pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

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

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: _____) as follows:

Secretary of State UCC search

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

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

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

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

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

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

5.11 Financial Statements. The Developer has provided Financial Statements to HED for its three most recent fiscal years (if applicable), and audited or unaudited interim financial statements. This requirement shall also apply to any publicly-traded entities with an ownership interest in the Project.

5.12 Documentation. The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters.

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

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement; written consent of the members; and such other documentation as the City has

requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

5.16 Certification of TIF-Eligible Expenses. The Developer has provided a written certification to HED, along with such documentation as HED may require, that Developer has incurred TIF-eligible expenses of at least $7,000,000, and HED has approved such certification.

5.17 Leases. The Developer has provided copies of all existing ground and tenant leases.

5.18 Letter of Credit. The Developer has provided proof of the availability of the Letter of Credit required by this Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 General Contractor and Subcontractors. The General Contractor and all subcontractors shall be qualified contractors who are eligible to do business with the City. The Developer shall submit copies of the Construction Contract to HED in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project in the public way, the Developer shall require that the contractor performing the work in the public way be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to HED. The City shall be named as obligee or co-obligee on any such bonds.

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

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

hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion. Upon completion of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, HED shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. HED shall respond to the Developer's written request for a Certificate within forty-five (45) days following written Developer request for same by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed in accordance with this Agreement, and the measures which must be taken by the Developer in order to obtain the Certificate. In accordance with this Agreement, the Developer may resubmit a written request for a Certificate upon completion of such measures. However, Developer acknowledges and understands that the City is not obligated to issue a Certificate of Completion until the following conditions have been met:

- The core and shell of all buildings in the Project have been constructed;
- The City's Monitoring and Compliance unit has determined that the Developer is in compliance with all City construction requirements for the Project (M/WBE, City Residency, and Prevailing Wage), as provided in this Agreement, with respect to the core and shell construction of the Project;
- The Developer shall have entered into (and provided the City with an executed copy of) a lease with Anchor Tenant for the Project that has the following characteristics:
    - Comprises at least 72% of the total gross leasable area of the retail space in the Project;
    - A minimum term of fifteen years from the date of tenant occupancy; and
    - A covenant by tenant to open for business for one day
- The Anchor Tenant has opened for business for at least one day; and
- The Developer shall have obtained certification from its architect that the core and shell of the non-anchor retail space in the Project has been constructed in accordance with all applicable City Code requirements.

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

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

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

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

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

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

7.04 Drawing on Letter of Credit; Termination of the Letter of Credit. After the Developer has completed construction of the Project but before the Certificate is issued, the Developer shall submit such documentation and information that may be required by HED for HED to certify the amount expended by the Developer for Aggregate Hard Construction Costs ($26,859,000) and Total Soft Costs ($4,284,000), as set forth in the Project Budget in Exhibit G-1. If the total certified Aggregate Hard Construction Costs and Total Soft Costs are less than $29,585,850 (i.e., 95% of the total budgeted costs of $31,143,000, as reflected in the Project Budget at Exhibit G-1), then the City shall have the right to draw down the Letter of Credit in the amount of the difference between $7,000,000 and 22.47% of the total of the actual certified Aggregate Hard Construction Costs and Total Soft Costs; provided however, if at the time the Developer requests the issuance of the Certificate, the Developer has not yet completed the Small Shop Tenant Improvements and therefore not yet spent $29,585,850 in total Aggregate Hard Construction Costs and Total Soft Costs, then (i) the City shall not be entitled to draw down the Letter of Credit; and (ii) subject to Developer providing the City with the required documentation to issue the Certificate, the City shall issue the Certificate to the Developer and the amount of the Letter of Credit shall be reduced to an amount equal to 22.47% of the remaining portion of the Small Shop Tenant Improvement costs (the "Remaining Small Shop TI Costs") identified in the Project Budget in Exhibit G-1 which must be spent by the Developer to enable the Developer to have incurred at least $29,585,850 of total certified Aggregate Hard Construction Costs and Total Soft Costs. In the event the Developer has not sent a letter to the City requesting certification of the Remaining Small Shop TI Costs (the "Small Shop TI Cost Certification") within eighteen (18) months after issuance of the Certificate then, at anytime after such eighteen (18) month period and so long as the Developer has not previously sent the Small

Shop TI Cost Certification to the City (event if the same occurs after such 18-month period), the City shall be entitled to draw down the Letter Credit in the amount equal to 22.47% of the Remaining Small Shop TI Costs (for an illustration of how this formula will be applied refer to Example 3 below). Notwithstanding anything to the contrary contained herein, the City shall not be entitled to draw on the Letter of Credit if the total certified Aggregate Hard Construction Costs and Total Soft Costs are $29,585,850 or more.

Example 1: Developer has budgeted $26,859,000 for Aggregate Hard Construction Costs and $4,284,000 for Total Soft Costs, for a toal of $31,143,000 in costs. Upon completion of the Project, HED certifies that the Developer has spent $30,000,000. The City shall not be entitled to draw on the Letter of Credit because the amount spent by the Developer is at least 95% of the budgeted amount for the Aggregate Hard Construction Costs and Total Soft Costs.

Example 2: Developer has budgeted $26,859,000 for Aggregate Hard Costs and $4,284,000 for Total Soft Costs, for a toal of $31,143,000 in costs. Upon completion of the Project, HED certifies that the Developer has come in substantially under budget and spent only $28,000,000. It is calculated that 22.47% of $28,000,000 is $6,291,600. This amount is less than $7,000,000 by $708,400, so the City shall be entitled to draw down the Letter of Credit by $708,400.

Example 3: The Developer has budgeted $26,859,000 for Aggregate Hard Costs and $4,284,000 for Total Soft Costs, for a toal of $31,143,000 in costs. Upon Developer's request for the Certifciate the Developer has not yet spent any portion of the Project Budget allocated towards the Small Shop Tenant Improvements (i.e., $2,035,408) and HED certifies that the Developer has come in under budget and spent only $28,000,000. As a result, the Developer still needs to incur $1,585,850 of Small Shop Tenant Imporvements costs (i.e., the Remaining Small Shop TI Costs) to have spent $29,585,850 in total Aggregate Hard Construction Costs and Total Soft Costs. Based on the foreging, the City will issue the Certificate to the Developer and the Letter of Credit will be reduced to an amount equal to 22.47% of $1,585,850, or $356,340. If Developer does not provide the City with the Small Shop TI Cost Certification within eighteen (18) months after issuance of the Certificate then the City shall be entitled to draw down the Letter of Credit in the amount of $356,340.

Upon issuance of the Certificate and the City's receipt of any funds it is entitled to under the Letter of Credit, the Developer's obligation to renew and maintain the Letter of Credit will terminate, and the City will return the Letter of Credit to the Developer; provided however, in the event the City has issued the Certificate but Developer is required to maintain the Letter of Credit in an amount equal to Remaining Small Shop TI Costs, then the Developer will be obligated to renew and maintain the Letter of Credit based on such reduced amount until the earlier to occur of (i) the Developer has incurred at least $29,585,850 of total certified Aggregate Hard Construction Costs and Total Soft Costs and the City has certified the costs of the same; or (ii) the City has drawn down the same.

7.05 Recording of Mortgage. Upon issuance of the Certificate, the Developer will provide the City with additional security for its reporting obligations under Section 8.06 of this Agreement in the form of a subordinated mortgage of the Property to the City, as mortgagee, which mortgage shall have a term expiring ten years following the date of issuance of the Certificate (the "Junior Mortgage"). The Junior Mortgage will be subordinate to all security provided for existing and later-obtained senior debt and other sources of private Project financing, and will not restrict or encumber

any sales or other transfers of the Project or Property following the issuance of the Certificate. The Developer shall be responsible for the recording of the Junior Mortgage, including all fees or other costs associated with the recording.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER

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

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

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

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

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

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

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

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

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

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of HED: (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 other than leases to Project tenants (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; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(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 HED, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

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

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

8.02 Covenant to Redevelop. Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals and the City Funds, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

8.05 Job Creation and Retention. The Developer anticipates that the Project will result in the creation of approximately 200 full-time equivalent, permanent jobs at the Project at the completion thereof, and approximately 256 full-time equivalent construction-related jobs during construction. The Developer and the General Contractor shall meet with the Workforce Development (or equivalent) unit of HED. Developer also shall make best efforts to facilitate meetings between the Workforce Development unit and other contractors, as well as tenants in the Project.

8.06 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing for each calendar year for a period of ten (10) years following the date of issuance of the Certificate, the Developer shall submit to HED the Annual Compliance Report during the month of March following the calendar year to which the Annual Compliance Report relates. The reporting covenant contained in this Section 8.06 shall run with the land and shall be secured by the Junior Mortgage.

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

1) sub-contractor activity reports;
2) the General Contractor's certification concerning MBE/WBE, City residency and prevailing wage requirements;
3) contractor letters of understanding;
4) monthly utilization reports;
5) authorizations for payroll agent;
6) certified payrolls; and
7) evidence that MBE/WBE contractor associations have been informed of the Project, via written notice and meetings.

Such progress reports shall be delivered to the City on a monthly basis during construction. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.09 Wage Requirement. 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 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. The Developer shall deliver monthly reports to the City's monitoring staff during construction of the Project describing its efforts to achieve compliance with the prevailing wage rate requirements.

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

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

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

8.13 Financial Statements. The Developer shall obtain and provide to HED Financial Statements for the Developer's fiscal year ended 2011 and each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as HED may request.

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

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

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

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

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

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. However, if this Agreement is not recorded first, all existing mortgages will have to be subordinated to this Agreement. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Job Readiness Program. Prior to the Closing Date, Developer must meet with the Workforce Development unit of HED to discuss the Project. In addition, Developer must send a letter (copying HED) to any tenants to familiarize them with the programs established by the City and available through HED for the purpose of helping prepare individuals to work for businesses located within TIF districts established on the Site. Developer also shall make best efforts to arrange a meeting between Project tenants and the Workforce Development unit of HED.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

The Developer must meet the requirements of this Section 10.02 for all contracts entered into involving construction. These requirement shall not be waived by the City. If at least 50 percent of the total worker hours worked by persons on the site of the Project shall not be performed by actual residents of the City, then the Developer shall be assessed a fine equal to 1/20th of 1% of the percentage of shortfall of the required contract amount for City resident work hours as set forth in more detail below in this Section. This fine will be paid directly by the Developer (or the General Contractor).

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

The Developer shall deliver monthly reports to HED during the construction of the Project describing its efforts to achieve compliance with the City residency employment requirements. The Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of HED in triplicate, which shall identify clearly the actual

residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

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

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

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

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

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

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit G-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

(1) At least 30 percent by MBEs.
(2) At least six percent by WBEs.

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

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

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

allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

(h) The Developer shall meet the MBE/WBE commitment goals set forth in this Section 10.03 based on the total direct cost of construction of the Project, defined as construction hard costs plus construction related architecture and engineering costs that are included in the Project budget. Improvements constructed by lessees are not included in the MBE/WBE Budget. Prior to commencement of construction, or prior to the execution of this Agreement, whichever is first, the Developer must have submitted to HED its construction contracts for review, and its MBE/WBE Utilization Plan, including Schedules C and D, for approval. Additionally, prior to the execution of this Agreement, the Developer must have submitted evidence acceptable to HED that the general contractor has met at least once with, if invited, and provided bid documents to, applicable MBE/WBE contractor associations.

SECTION 11. ENVIRONMENTAL MATTERS

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

operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan. Developer must provide to the City all studies and any audits performed on the Property, including any Phase I environmental report for the Property, and a reliance letter from environmental consultant. If there has been a notice from an applicable government agency regarding environmental issues at the Property, then the Developer must provide written verification from the appropriate municipal, state and/or federal environmental agency that all identified environmental issues have been resolved to such agencies' satisfaction. The City reserves the right to require, at the Developer's expense, additional environmental studies if the City determines, in its reasonable discretion, that the studies are inadequate.

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

The Project shall comply with all applicable green roof, LEED certification, energy star or comparable requirements of the Planned Development zoning designation that governs the Project, and in accordance with the requirements for projects receiving tax increment financing assistance under the City's sustainable development policy, also know as "Green Matrix," in effect as of the date of this Agreement.

Developer shall consider using, but shall not be obligated to unless required by the Planned Development, storm water "best management practices" such as natural landscaping, permeable paving, drainage swales, and naturalized detention basins, which limit the amount of storm water entering the City's combined sewer system.

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than $2,000,000 per occurrence and $6,000,000 in the

aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of

Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; or

(i) using the Property, Facility or Project (including the erection signs) in any way not allowed by this Agreement, the Planned Development, the City Zoning Ordinance and the Redevelopment Plan; or

(m) Failure to submit the reports required by Sections 8.06 and 8.07 of this Agreement; or

(n) during the period that the Developer is required to maintain the Letter of Credit, the Letter of Credit will expire within thirty (30) calendar days and the Developer has not delivered a substitute Letter of Credit, in form and substance satisfactory to the City in its sole and absolute discretion, within twenty (20) calendar days before the expiration date of the Letter of Credit.

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

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer are or shall be parties, place a lien on the Project in the amount of City Funds paid, seek reimbursement of any City Funds paid, and/or, if the Event of Default concerns Developer's failure to complete the Project and receive a Certificate by the date stated in Section 3.01 (unless failure to receive a Certificate is due to City inaction), draw down the entire balance of the Letter of Credit. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, the City may exercise any available remedies it may have pursuant to the recording of the Junior Mortgage.

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

cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. Notwithstanding any other provision of this Agreement to the contrary, there shall be no notice requirement or cure period with respect to the Event of Default described in Section 15.01(n) (with respect to the Letter of Credit).

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit F hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City (including any New Mortgage recorded after the issuance of the Certificate as contemplated in Section 16(c) below) is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

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

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

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of HED. After issuance of the Certificate, if a mortgagee or other permitted transferee executes a subordination agreement in which it

subordinates its New Mortgage to the covenants contained in Section 8.02 of this Agreement, then City consent is not required for the New Mortgage.

SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Housing and Economic Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division
If to the Developer:	CD-EB/EP Retail JV, LLC c/o Barrett & Porto Real Estate LLC 221 West Illinois Street Wheaton, Illinois 60187 Attention: Mr. Tim Barrett and Mr. Gene Porto
With Copies To:	Paul W. Shadle, Esquire DLA Piper LLP (US) 203 North LaSalle Street, Suite 1900 Chicago, Illinois 60601-1293

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof)

by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

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

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

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

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

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

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

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, provided, however, that the Developer may (i) at any time assign, on a collateral basis, the right to receive the City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date; and (ii) at any time after issuance of the Certificate sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.20 (Survival of Covenants) hereof, for the Term of the Agreement and, in connection with the same, the City shall attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

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

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

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.

CD-EB/EP Retail JV, LLC,
an Illinois limited liability company

By:_____, its manager

By:_____
Manager

CITY OF CHICAGO

By:_____
Andrew J. Mooney, Commissioner
Department of Housing and Economic Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the Manager of _____, LLC, which is the Manager of CD-EB/EP Retail JV, LLC, an Illinois limited liability company (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the members of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2011.

_____
Notary Public

My Commission Expires_____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this ___ day of _____, 2011.

_____
Notary Public

My Commission Expires_____

[(Sub)Exhibits "D" and "E" referred to in this Gateway (Monroe and Halsted) Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "A", "B", "C", "F", "G-1", "G-2", "H", "I" and "J" referred to in this Gateway (Monroe and Halsted) Redevelopment Agreement read as follows:

(Sub)Exhibit "A".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Redevelopment Project Area And Legal Description.

The legal description of the Near West Redevelopment Project Area includes the legal description of the Original Redevelopment Project Area combined with the legal description of the Added Area, and is as follows:

Legal Description Of The Original Redevelopment Project Area:

beginning at the southeast corner of West Madison Street and South Green Street; thence southerly to the southeast corner of South Green Street and West Monroe Street; thence westerly to a southwest corner of South Sangamon Street and West Monroe Street; thence northerly to the southwest corner of West Madison Street and South Sangamon Street; thence westerly to the southeastern corner of West Madison Street and South Morgan Street; thence southerly to the southeast corner of South Morgan Street and West Monroe Street; thence westerly to the southwest corner of South Aberdeen Street and West Monroe Street; thence northerly to the southwest corner of West Madison Street and South Aberdeen Street; thence westerly to a point in the west line, produced south of North May Street; thence northerly to the northwest corner of West Randolph Street and North May Street; thence easterly to the northeast corner of West Randolph Street and North Carpenter Street; thence southerly to the northeast corner of North Carpenter Street and West Washington Street; thence easterly to the northeast corner of North Peoria Street and West Washington Street; thence southerly to the northeast corner of West Madison Street and North Peoria Street; thence easterly to the northeast corner of West Madison Street and North Green Street; thence southerly to the point of beginning.

This area includes:

Block 17-08-448 of which a part is a part of S.F. Gale's Subdivision of Block 52 of Carpenter's Addition to Chicago (recorded February 29, 1872, Document Number 15649) (which said Carpenter's Addition is a subdivision of the southeast quarter of Section 8-39-14, recorded August 31, 1836); and of which a part is also a part of William Hale Thompson's Subdivision of Lots 17 to 26, inclusive, in S.F. Gale's Subdivision of Block 52 of Carpenter's Addition to Chicago (recorded July 21, 1890, Document Number 1306568) (which said Carpenter's Addition is a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836).

Also,

Block 17-08-447 of which a part is a part of Block 51 of Carpenter's Addition to Chicago, a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836 (Ante Fire)); and of which a part is also a part of Assessor's Second Division of the east half of Lot 3, all of Lots 1, 2, 7, 8, 11, 12, 15, 16, 17 and 18 of Block 51 of Carpenter's Addition to Chicago (recorded November 29, 1872, Document Number 71687 and recorded October 1, 1875, Document Number 51466); and of which a part is also a part of H.C. Van Schaak's Subdivision of Lot 7 (except the north 20 feet) in Block 51 of Carpenter's Addition to Chicago (recorded October 27, 1885, Document Number 664546).

Also,

Block 17-08-446 of which a part is a part of Block 50 of Carpenter's Addition to Chicago, a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836 (Ante-Fire)); and of which a part is a part of Assessor's Division of Lots 1 to 9 in Block 50 of Carpenter's Addition to Chicago (recorded July 30, 1859 (Ante-Fire)).

Also,

Block 17-08-437 which is part of Block 42 of Carpenter's Addition to Chicago, being a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836 (Ante-Fire)).

Also,

Block 17-08-436 of which is part of William J. Bunker's Subdivision of Block 43 of Carpenter's Addition to Chicago (recorded July 1, 1848 (Ante-Fire)) (which said Carpenter's Addition is a subdivision of the southeast quarter of Section 8-39-14) recorded August 31, 1836 (Ante-Fire)).

Also,

Block 17-08-444 of which a part is a part of resubdivision of Block 48 of Carpenter's Addition to Chicago (recorded February 17, 1857 (Ante-Fire)) (which said Carpenter's Addition is a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836); and of which a part is a part of C.W.Cook's Subdivision of Lots 1 to 5 of Block 48 of Carpenter's Addition to Chicago (Ante-Fire) (which said Carpenter's Addition is a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836)).

Also,

Block 17-08-445 of which a part is a part of Block 49 of the Carpenter's Addition to Chicago, a subdivision of the southeast quarter of Section 8-39-14 (recorded August 31, 1836 (Ante-Fire)); and of which a part is a part of the subdivision of the west 100 feet of Lot 6 of Block 49 of Carpenter's Addition to Chicago (recorded September 13, 1875, Document Number 48790).

Also,

Block 17-17-208 of which is Block 2 of Duncan's Addition to Chicago, being a subdivision of the east half of the northeast quarter of Section 17-39-14 (Ante-Fire).

Also,

Block 17-17-207 which is a part of Block 3 of Duncan's Addition to Chicago, a subdivision of the east half of the northeast quarter of Section 17-39-14 (Ante-Fire); and of which a part is a part of the subdivision of Lots 15 and 16, Block 3, Duncan's Addition to Chicago (Ante-Fire).

Also,

Block 17-17-203 which is a part of the subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago (recorded August 13, 1853 (Ante-Fire)) (which said Canal Trustee's Subdivision is a subdivision of the west half and the west half of the northeast quarter of Section 17-39-14 (recorded August 31, 1848 (Ante-Fire)); and which said Duncan's Addition is a subdivision of the east half of the northeast quarter of the Section 17-39-14 (recorded April 29, 1836 (Ante-Fire)).

Also,

Block 17-17-204 of which a part is a part of the subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago (recorded August 13, 1853 (Ante-Fire)) (which said Canal Trustee's Subdivision is a subdivision of the west half and the west half of the northeast quarter of Section 17-39-14; and which said Duncan's Addition is a subdivision of the east half of the northeast quarter of Section 17-39-14);

and of which a part is also a part of the subdivision of the interior part of Block 1 of Canal Trustee's Subdivision (recorded April 8, 1857 (Ante-Fire)) and of which a part is also a part of Holden's Plat of parts of Block 5 of Duncan's Addition and part of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

Also,

Block 17-17-205 of which a part is a part of the subdivision of Block 1 of Canal Trustee's Subdivision and of Block 5 of Duncan's Addition to Chicago (recorded August 13, 1853 (Ante-Fire)) (which said Canal Trustee's Subdivision is a subdivision of the west half and the west half of the northeast quarter of Section 17-39-14 (recorded August 31, 1848 (Ante-Fire)), and which said Duncan's Addition is a subdivision of the east half of the northeast quarter of Section 17-39-14 (recorded April 29, 1836 (Ante-Fire)); and of which a part is a part of C.C.P. Holden's Resubdivision of Lots 33, 34, and 35 of Block 1 of Canal Trustee's Subdivision (Ante-Fire).

Added Area Legal Description.

That part of the southeast quarter of Section 8 and part of the southwest quarter of Section 9 and part of the northwest quarter of Section 16 and part of the northeast quarter of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian, described as follows:

beginning at the intersection of the north right-of-way of West Lake Street, with the west right-of-way line of North Peoria Street; thence south along said west right-of-way line of North Peoria Street to the north right-of-way line of West Washington Street; thence east along said north right-of-way line of West Washington Street, to the east right-of-way line of North Peoria Street; thence south along said east right-of-way line of North Peoria Street, to the south right-of-way line of West Washington Street; thence east along said south right-of-way line of West Washington Street to the west right-of-way line of North Green Street; thence south along said west right-of-way line of North Green Street, to the north right-of-way line of West Madison Street; thence east along said north right-of-way line of West Madison Street to the east right-of-way line of North Green Street; thence south along said east right-of-way line of North Green Street and the east right-of-way line of South Green Street to the south right-of-way line of West Monroe Street; thence west along said south right-of-way line of West Monroe Street to the east right-of-way line of South Peoria Street; thence south along said east right-of-way line of South Peoria Street to the north right-of-way line of West Adams Street; thence east along said north right-of-way line of West Adams Street to the southeast corner of Lot 9 in Block 9 in Duncan's Addition to Chicago, being a subdivision of the east half of the northeast quarter

of said Section 17, also being a point in the centerline of Block 9; thence south along the centerline of Block 12 in said Duncan's Addition to Chicago and its northerly and southerly extensions to the south right-of-way line of West Jackson Boulevard; thence east along said south right-of-way line of West Jackson Boulevard, to the west right-of- way line of South Green Street; thence south along said west right-of-way line of South Green Street to the northerly right-of-way line of the Dwight D. Eisenhower Expressway; thence easterly along said northerly right-of-way line of the Dwight D. Eisenhower Expressway to a point on the south line of Lot 2 in Block 21 in said Duncan's Addition to Chicago, said point being 17.00 feet east of the southwest corner of said Lot 2; thence east along the south line of said Lot 2 to the southeast corner thereof, said point being on the west right-of-way line of South Halsted Street; thence east to the southwest corner of Lot 17 in J.A. Yale's Subdivision of Block 5 of School Section Addition to Chicago of said Section 16, said point being on the east right-of-way line of South Halsted Street; thence east along the south line of Lots 17 through 13, inclusive, in said J.A. Yale's Subdivision, to a point on the east line of the west 5.00 foot line of Lot 13 in said J.A. Yale's Subdivision; thence north along said east line of the west 5.00 feet of Lot 13, to the south right-of-way line of West Van Buren Street; thence northerly to a point on the northerly right-of-way line of West Van Buren Street, said point being on the west right-of-way line of the John F. Kennedy Expressway; thence northerly along said west right-of-way line of the John F. Kennedy Expressway to the north right-of-way line of West Jackson Boulevard; thence east along said north right-of-way line of West Jackson Boulevard to the east line of the west 29 feet of Lot 6 in Blanchard's Subdivision of Block 3 of School Section Addition to Chicago of said Section 16; thence north along said east line of the west 29 feet of said Lot 6 and its northerly extension to the north right-of-way line of West Quincy Street at a point on the south line of Lot 3 in said Blanchard's Subdivision; thence east along said north right-of-way line of West Quincy Street to a point on the south line of Lot 3, 42 feet east of the southwest corner thereof; thence northeasterly to a point on the north line of said Lot 3 in said Blanchard's Subdivision, 58 feet east of the northwest corner thereof, said point also being on the south right-of-way line of West Adams Street; thence northwest to a point on the north right-of-way line of said West Adams Street, said point being on the south line of Lot 6 in Block 2 of School Section Addition to Chicago of said Section 16, 20 feet east of the southwest corner thereof; thence northeasterly to a point on the north right-of-way line of West Marble Place, said point being on the south line of Lot 3 in Block 2 of School Section Addition to Chicago of said Section 16, 45 feet east of the southwest corner thereof; thence west along the south line of said Lot 3 in Block 2, to the east line of the west 15 feet of said Lot 3 in Block 2; thence north along the east line of the west 15 feet of said Lot 3 in Block 2 to the north line of said Lot 3 in Block 2 and also being on the south right-of-way line of West Monroe Street; thence west along said south right-of-way line of West Monroe Street to the west right-of-way line of the John F. Kennedy Expressway; thence northerly along said west right-of-way line of the John F. Kennedy Expressway to the north right-of-way line of West Lake Street; thence west along said north right-of-way line of West Lake Street to the point of beginning, in Cook County, Illinois.

(Sub)Exhibit "B".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Property.

(Subject To Survey And Title Insurance)

Legal Description:

[To be inserted at closing]

Address Commonly Known As:

14 -- 40 South Halsted Street
(at intersection of South Halsted Street and
West Monroe Street)
Chicago, Illinois 60607.

Permanent Index Numbers:

17-17-209-001;

17-17-209-002;

17-17-209-003;

17-17-209-004;

17-17-209-010;

17-17-209-011;

17-17-209-012;

17-17-209-013;

17-17-209-014;

17-17-209-015;

17-17-209-016;

17-17-209-017; and

17-17-209-018.

(Sub)Exhibit "C".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

TIF-Funded Improvements.

Property assembly costs, including acquisition of land, demolition of buildings, site preparation, site improvements that serve as engineered barriers and the clearing and grading of land	$13,834,801
TOTAL:	$13,834,801*

(Sub)Exhibit "F".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Permitted Liens.

1. Liens or encumbrances against the Property:

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

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

   None.

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* Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed $7,000,000.

(Sub)Exhibit "G-1".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Project Budget.

Hard Construction Costs:	
Building Shell	$13,628,028
Anchor Tenant Improvements	7,160,000
Small Shop Tenant Improvements	2,035,408
Site Preparation	2,660,514
Off-Site Improvements	200,000
Demolition	42,050
Haul Off Spoils	50,000
Project Sign	50,000
Hard Cost Contingency	1,033,000
Aggregate Hard Construction Costs:	$26,859,000
Soft Costs/Fees	
Architecture and Engineering	$805,000
Testing	150,000
Permits	370,000
Leasing Commissions	604,000
Real Estate Taxes During Construction	200,000
Insurance	25,000
Legal, Title, Closing Costs	400,000
Utility Charges	50,000

Overhead Expenses	$ 500,000
Loan Fees	225,000
Developer Fees	750,000
Letter of Credit Fee	70,000
Contingency	135.000
Total Soft Costs:	$ 4,284,000
Land Acquisition and Assembly	$11,132,237
TOTAL:	$42,275,237

(Sub)Exhibit "G-2".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

MBE/WBE Budget.

Hard Costs of Tenant Improvements	$19,665,592
Soft Costs/ Fees	805,000
MBE/WBE Project Budget	$20,470,592
MBE Total at 30% =	$6,141,178
WBE Total at 6% =	$1,228,236

(Sub)Exhibit "H".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Approved Prior Expenditures.

To be listed at Closing, pending approval by HED. Approved Prior Expenditures shall be TIF-Funded Improvements, as documented by the Developer and approved by HED, incurred prior to the Closing Date for Property assembly costs, including but not limited to, acquisition

of land, demolition of buildings, site preparation, site improvements that serve as an engineered barrier and the clearing and grading of land.

(Sub)Exhibit "I".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Opinion Of Developer's Counsel

(To Be Retyped On The Developer's Counsel's Letterhead)

_____, ____

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen.

We have acted as special counsel to CD-EB/EP Retail JV, LLC, an Illinois limited liability company (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Near West Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) The Gateway (Monroe and Halsted) Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

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

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

In addition to the foregoing, we have examined:

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

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

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

Based on the foregoing, it is our opinion that:

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

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

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

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

5. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer

or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

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

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

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

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

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

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

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

Very truly yours,

DLA Piper LLP (US)

By: _____
Paul W. Shadle, Esquire

(Sub)Exhibit "J".
(To Gateway (Monroe And Halsted) Redevelopment Agreement With CD-EB/EP Retail JV, LLC)

Requisition Form.

State of Illinois)
) SS.
County of Cook)

The affiant, _____, _____ of CD-EB/EP Retail JV, LLC, an Illinois limited liability company (the "Developer"), hereby certifies that with respect to that certain Gateway (Monroe and Halsted) Redevelopment Agreement between the Developer and the City of Chicago dated _____, ____ (the "Agreement"):

A. Expenditures for the Project in the total amount of $_____ have been made.

B. Costs of TIF-Funded Improvements for the Project in the total amount of $_____ have been reimbursed by the City to date.

C. The Developer requests reimbursement in the total amount of $_____ [not to exceed $7,000,000] for the following TIF-Funded Improvements:

[List improvements and cost of each]

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

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

1. The representations and warranties contained in the Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

2. No event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

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

4. All amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment.

5. The Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications.

6. The Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens.

7. The Project is In Balance.

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

CD-EB/EP Retail, JV, LLC

By: _____

Name: _____

Title: _____

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

_____

My commission expires: _____.

Agreed and Accepted:

_____

Name: _____

Title: _____

City of Chicago
Department of Housing and Economic Development