

## Contract Summary Sheet

**Contract (PO) Number:** 5401

**Specification Number:** 23434

**Name of Contractor:** NORTH & CICERO DEVELOPMENT LLC

**City Department:** PLANNING & DEVELOPMENT

**Title of Contract:** Redevelopment of a site located at North/Cicero

**Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):**

\$3,000,000 00

**PO Start Date:** 11-24-99

**PO End Date:** 7-30-20

**Brief Description of Work:** Redevelopment of a site located at North/Cicero

**Procurement Services Contact Person:** BARBARA SUTTON

**Vendor Number:** 50070882

**Submission Date:**

JUN 23 2004

NORTH AND CICERO DEVELOPMENT L.L.C. REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

· NORTH AND CICERO DEVELOPMENT, L.L.C.

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

TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS . . . . .	3
SECTION 2. DEFINITIONS . . . . .	3
SECTION 3. THE PROJECT . . . . .	8
3.01 <u>The Project.</u> . . . . .	8
3.02 <u>Scope Drawings and Plans and Specifications.</u> . . . . .	9
3.03 <u>Project Budget</u> . . . . .	9
3.04 <u>Change Orders</u> . . . . .	9
3.05 <u>DPD Approval</u> . . . . .	10
3.06 <u>Other Approvals</u> . . . . .	10
3.07 <u>Progress Reports and Survey Updates</u> . . . . .	10
3.08 <u>Inspecting Agent or Architect</u> . . . . .	10
3.09 <u>Barricades</u> . . . . .	10
3.10 <u>Signs and Public Relations.</u> . . . . .	11
3.11 <u>Utility Connections</u> . . . . .	11
3.12 <u>Permit Fees</u> . . . . .	11
SECTION 4. FINANCING . . . . .	11
4.01 <u>Total Project Cost and Sources of Funds</u> . . . . .	11
4.02 <u>Developer Funds.</u> . . . . .	11
4.03 <u>City Funds.</u> . . . . .	11
4.04 <u>TIF Bonds</u> . . . . .	13
4.05 <u>Treatment of Prior Expenditures and Subsequent Disbursements</u> . . . . .	13
4.06 <u>Cost Overruns</u> . . . . .	13
4.07 <u>Costs of Issuance</u> . . . . .	13
4.08 <u>Acknowledgment Regarding Available Increment</u> . . . . .	13
SECTION 5. CONDITIONS PRECEDENT . . . . .	14
5.01 <u>Project Budget</u> . . . . .	14
5.02 <u>Scope Drawings and Plans and Specifications</u> . . . . .	14
5.03 <u>Other Governmental Approvals</u> . . . . .	14
5.04 <u>Financing</u> . . . . .	14
5.05 <u>Acquisition and Title; City Conveyance Property</u> . . . . .	14
5.06 <u>Evidence of Clean Title</u> . . . . .	15
5.07 <u>Surveys</u> . . . . .	16
5.08 <u>Insurance</u> . . . . .	16
5.09 <u>Opinion of the Developer's Counsel</u> . . . . .	16
5.10 <u>Evidence of Prior Expenditures.</u> . . . . .	16
5.11 <u>Financial Statements</u> . . . . .	16
5.12 <u>Employment and Operation Documentation</u> . . . . .	16
5.13 <u>Environmental</u> . . . . .	17
5.14 <u>Corporate Documents</u> . . . . .	17
5.15 <u>Litigation</u> . . . . .	17
5.16 <u>Preconditions of Disbursement</u> . . . . .	17
SECTION 6. AGREEMENTS WITH CONTRACTORS . . . . .	18
6.01 <u>Bid Requirement</u> . . . . .	18
6.02 <u>Construction Contract</u> . . . . .	19

6.03	<u>Performance and Payment Bonds.</u>	20
6.04	<u>Employment Opportunity</u>	20
6.05	<u>Other Provisions</u>	20
SECTION 7.	COMPLETION OF CONSTRUCTION OR REHABILITATION	20
7.01	<u>Certificate of Completion</u>	20
7.02	<u>Effect of Issuance of Certificate; Continuing Obligations</u>	21
7.03	<u>Failure to Complete</u>	21
7.04	<u>Notice of Expiration of Term of Agreement</u>	21
SECTION 8.	COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.	22
8.01	<u>General</u>	22
8.02	<u>Covenants to Redevelop</u>	23
8.03	<u>Redevelopment Plan</u>	24
8.04	<u>Use of City Funds</u>	24
8.05	<u>Other Bonds</u>	24
8.06	<u>Job Creation and Retention.</u>	24
8.07	<u>Employment Opportunity</u>	24
8.08	<u>Employment Profile</u>	24
8.09	<u>Prevailing Wage</u>	25
8.10	<u>Arms-Length Transactions</u>	25
8.11	<u>Conflict of Interest</u>	25
8.12	<u>Disclosure of Interest</u>	25
8.13	<u>Leasing Information</u>	25
8.14	<u>Insurance</u>	25
8.15	<u>Non-Governmental Charges</u>	26
8.16	<u>Developer's Liabilities</u>	26
8.17	<u>Compliance with Laws</u>	26
8.18	<u>Recording and Filing</u>	27
8.19	<u>Job Training/Job Readiness Program</u>	27
8.20	<u>Survival of Covenants</u>	27
8.21	<u>Real Estate Provisions</u>	27
8.22	<u>Escrow Agreement</u>	27
SECTION 9.	COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY	29
9.01	<u>General Covenants</u>	29
9.02	<u>Survival of Covenants</u>	29
SECTION 10.	DEVELOPER'S EMPLOYMENT OBLIGATIONS	29
10.01	<u>Employment Opportunity</u>	29
10.02	<u>City Resident Construction Worker Employment Requirement</u>	30
10.03	<u>The Developer's MBE/WBE Commitment</u>	32
SECTION 11.	ENVIRONMENTAL MATTERS	34
SECTION 12.	INSURANCE	35
SECTION 13.	INDEMNIFICATION	39
SECTION 14.	MAINTAINING RECORDS/RIGHT TO INSPECT	39
14.01	<u>Books and Records</u>	39

14.02	<u>Inspection Rights</u>	40
SECTION 15.	DEFAULT AND REMEDIES	40
15.01	<u>Events of Default</u>	40
15.02	<u>Remedies</u>	41
15.03	<u>Curative Period</u>	41
SECTION 16.	MORTGAGING OF THE PROJECT	42
SECTION 17.	NOTICE	43
SECTION 18.	MISCELLANEOUS	44
18.01	<u>Amendment</u>	44
18.02	<u>Entire Agreement</u>	44
18.03	<u>Limitation of Liability</u>	44
18.04	<u>Further Assurances</u>	44
18.05	<u>Waiver</u>	44
18.06	<u>Remedies Cumulative</u>	44
18.07	<u>Disclaimer</u>	44
18.08	<u>Headings</u>	44
18.09	<u>Counterparts</u>	44
18.10	<u>Severability</u>	45
18.11	<u>Conflict</u>	45
18.12	<u>Governing Law</u>	45
18.13	<u>Form of Documents</u>	45
18.14	<u>Approval</u>	45
18.15	<u>Assignment</u>	45
18.16	<u>Binding Effect</u>	45
18.17	<u>Force Majeure.</u>	45
18.18	<u>Exhibits.</u>	46
18.19	<u>Business Economic Support Act</u>	46

## LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property - Redevelopment Site
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Omitted
Exhibit F	Omitted
Exhibit G	*Permitted Liens
Exhibit H	*Project Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	*Prohibited Uses
Exhibit L1	*Form of City Developer Note 1
Exhibit L2	*Form of City Developer Note 2
Exhibit M	*MBE/WBE Budget
Exhibit N	*City Conveyance Property
Exhibit O	*Site Plan
Exhibit P	Job Training and Job Readiness Program
Exhibit Q	Environmental Reports

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

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

#### NORTH AND CICERO DEVELOPMENT L.L.C. REDEVELOPMENT AGREEMENT

This North and Cicero Development L.L.C. Redevelopment Agreement (this "Agreement") is made as of this 24<sup>th</sup> day of November, 1999, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and North and Cicero Development L.L.C., an Illinois limited liability company (the "Developer").

#### RECITALS

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

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 and conservation area conditions through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on July 30, 1997: (1) "An

Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the North-Cicero Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the North-Cicero Redevelopment Project Area a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the North-Cicero Redevelopment Area" (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has acquired or will acquire on the date hereof (the "Acquisition") certain property located within the Redevelopment Area at the corner of North Avenue and Cicero Avenue, Chicago, Illinois 60651 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 construction of (i) an approximately 173,000 square foot shopping center/retail facility thereon, (ii) the Phase I Outlots and Phase II Outlots (as defined below) (the facilities described in clauses (i) and (ii) are referred to herein as the "Facility"), and (iii) related public improvements. The Acquisition and the construction of the Facility and related public 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." Notwithstanding the above definitions of the Project and the Facility, the Developer's obligation to complete Phase II is subject to market conditions. If Phase II is never commenced, then the terms "Project" and "Facility" will be deemed to refer only to Phase I, and related public improvements. If the Developer takes action with respect to Phase II so that Note 2 is issued by the City, the terms "Project" and "Facility" will then be deemed also to include Phase II and any related public improvements. 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 North/Cicero Tax Increment Finance Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D, as amended from time to time.

F. City Financing: The City agrees to issue to the Developer the Notes (as defined below), in the amount set forth in Section 4.03 hereof, to make available the proceeds of the Notes to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in the future and in its sole discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (defined below) as described in Section 4.04 hereof, the proceeds of which will be used to pay any



amount remaining due under the Notes and otherwise as the City determines.

G. City Conveyance: The City has, prior to or on the date hereof, acquired a parcel of land legally described on Exhibit N attached hereto (the "City Conveyance Property") from the Chicago Transit Authority (the "CTA") for \$3,290,000 and related closing costs. To provide further assistance to the Project, the City will convey the City Conveyance Property to the Developer on the date hereof subject to the terms and conditions of this Agreement.

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

#### SECTION 1. RECITALS

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

#### SECTION 2. DEFINITIONS

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

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

"Anchor Tenant" shall mean an anchor tenant for Phase I acceptable to DPD and which will occupy at least 50,000 rentable square feet of store space in Phase I of the Facility. As of the Closing Date, the Anchor Tenant is Supervalu Holdings, Inc., a Missouri corporation.

"Available Increment" shall mean 60% of the Incremental Taxes which are deposited into the North-Cicero TIF Fund, beginning with Incremental Taxes from the tax year 1999 received in 2000, but specifically excluding any Incremental Taxes in the North-Cicero TIF Fund as of the date hereof or Incremental Taxes from tax year 1998 to be received in 1999.

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

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

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

issuance of the Certificate will also be deemed to refer to the date that the City has issued Component Completion Certificates for all phases of the Project pursuant to Section 7.01 hereof.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the Notes pursuant to which the principal amount of the Notes will be established.

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

"City Funds" shall mean the funds paid to the Developer pursuant to the Notes.

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

"Component Completion Certificate" shall mean the certificate of completion that the City may issue with respect to either phase of the Project pursuant to Section 7.01 hereof.

"Construction Contract" shall mean that certain contract, to be provided after the Closing Date, 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 4.06 (Cost Overruns).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be provided after the Closing Date, among the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s).

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

"Financial Statements" shall mean complete financial statements of the Developer prepared by the Developer in accordance with income tax basis accounting principles and practices consistently applied throughout the appropriate periods.

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

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

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

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

"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.

"Major Retailer" shall mean a retail business enterprise with annual projected gross revenues from its operations at the Facility in excess of \$25,000,000, or any other retail business enterprise which the City in its sole discretion deems a Major Retailer.

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

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit M.

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

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

"North-Cicero TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area pursuant to the TIF Adoption Ordinance into which the Incremental Taxes will be deposited.

"Note 1" shall mean the City of Chicago Tax Increment Allocation Revenue Note 1 (North-Cicero Redevelopment Project), Series A, to be in the form attached hereto as Exhibit L1, in the maximum principal amount of (i) \$1,600,000 or (ii) 14.4% of the total actual costs of the Project (excluding the value of the City Conveyance Property), whichever is less (which principal amount may be further reduced pursuant to the provisions of Section 4.03(c) hereof), issued by the City to the Developer on the date hereof. Note 1 shall bear interest at an annual rate of eight percent (8%) and shall provide for accrued, but unpaid, interest to be added to principal. The payment of the amounts due under Note 1 shall be secured only by the Available Increment (pro rata with Note 2, based on the principal amounts outstanding), and Note 1 shall have a term ending on the earlier to occur of (i) twenty years from the date of issuance, or (ii) the date on which the Redevelopment Area is no longer in existence.

"Note 2" shall mean the City of Chicago Tax Increment Allocation Revenue Note 2 (North-Cicero Redevelopment Project), Series A, to be in the form attached hereto as Exhibit L2, in the maximum principal amount of (i) \$1,400,000 or (ii) an amount, such that the sum of the principal amounts outstanding under Note 1 and Note 2 (prior to taking into account any payments on the Notes) shall not exceed 14.4% of the total actual costs of the Project (excluding the value of the City Conveyance Property), whichever is less (which principal amount may be further reduced pursuant to the provisions of Section 4.03(c) hereof), issued by the City to the Developer pursuant to the provisions of Section 4.03(b) hereof. Note 2 shall bear interest at an annual rate of eight percent (8%) and shall provide for accrued, but unpaid, interest to be added to principal. The payment of the amounts due under Note 2 shall be secured only by the Available Increment (pro rata with Note 1, based on the principal amounts outstanding), and Note 2 shall have a term ending on the earlier to occur of (i) twenty years from the date of issuance, or (ii) the date on which the Redevelopment Area is no longer in existence.

"Notes" shall mean Note 1 and Note 2, or such other notes as may be issued pursuant to Section 4.03(b).

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

"Phase I" shall mean the acquisition of the Property, as well as the construction of that portion of the Facility and related site improvements indicated as being a part of Phase I in the site plan attached hereto as Exhibit O.

"Phase I Outlots" shall mean those outlot parcels which comprise a portion of Phase I, as indicated in the site plan attached hereto as Exhibit O.

"Phase II" shall mean the construction and other activities leading to completion of the portion of the Project which comprises Phase II, as indicated in the site plan attached hereto as Exhibit O.

"Phase II Outlots" shall mean those outlot parcels which comprise a portion of Phase II, as indicated in the site plan attached hereto as Exhibit O.

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

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

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

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

"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 on the earlier of: (a) July 30, 2020 or (b) the time at which the Redevelopment Area is no longer in effect.

"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 reimburse the Developer for out of the City Funds, subject to the terms of this Agreement.

"Title Company" shall mean Near North National Title Corporation as agent for 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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

### SECTION 3. THE PROJECT

#### 3.01 The Project.

(a) Commencement and Completion. 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 1, 1999; and (ii) complete construction and conduct business operations therein no later than October 1, 2002 (the "Completion Deadline").

(b) Extensions. The parties may agree, on an annual basis, to extend the Completion Deadline with respect to Phase II by one year, provided that the Developer, within 30 days prior to the Completion Deadline, presents the City with materials satisfactory to the City (including contact sheets and marketing materials that the Developer has distributed) evidencing the Developer's efforts to market the Facility to potential tenants. If the Completion Deadline is extended, the City may participate in the marketing of the Facility at the Developer's expense during the period of the extension. To the extent necessary, issuance of Note 2 by the City hereunder shall extend the Completion Deadline for Phase II for one year from the date of such issuance.

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

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in the amount of Twenty Million Four Hundred Seventy-Eight Thousand Five Hundred Fifty Dollars (\$20,478,550). The Developer hereby certifies to the City that 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 DPD certified copies of any Change Orders with respect to the Project Budget for approval to the extent required by Section 3.04 hereof.

3.04 Change Orders. Any Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be delivered by the Developer to the City concurrently with the progress reports described in Section 3.07 hereof. However, any Change Orders that would authorize or cause any of the following to occur or relate to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the total square footage of the Project by more than 10%; (b) the change of the proposed use of any portion of the Project; (c) a delay in the completion of any portion of the Project in excess of three months; or (d) Change Orders costing over Fifty Thousand Dollars (\$50,000) each, or a series of Change Orders with an aggregate amount of over Two Hundred Fifty Thousand Dollars (\$250,000). With respect to any Change Order submitted to DPD pursuant to subsection (d) above, such Change Order shall be deemed approved by DPD if DPD fails to respond within fifteen days of DPD's receipt of the Change Order. The Developer shall not authorize or permit the performance of any work relating to any such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written (or deemed) approval. 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 to be provided by the City pursuant to this Agreement or provide any other additional assistance to the Developer. Change Orders costing less than Fifty Thousand Dollars (\$50,000) each, to an aggregate amount of Two Hundred Fifty

Thousand Dollars (\$250,000), do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property. The Developer must also deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of the Agreement. These reports must be delivered to the City for any phase of the Project when that phase is 50%, 70% and 100% complete (based on the amount of expenditures incurred in relation to the Project Budget).

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

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



approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

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

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

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

#### SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$20,478,550, excluding the value of the City Conveyance Parcel, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Section 4.06</u> )	\$5,600,000
Lender Financing	<u>14,878,550</u>
<b>ESTIMATED TOTAL</b>	<b><u>\$20,478,550</u></b>

4.02 Developer Funds. Lender Financing and Equity shall be available to pay all Project costs, including but not limited to Redevelopment Project Costs and costs of TIF-Funded improvements.

#### 4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to 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 Section 4.05(b) hereof), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. Reimbursement of costs through City Funds will be in the form of payment of principal and interest under the Notes. The City may redeem all or any portion of the Notes without penalty.

(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 issue the Notes to the Developer as follows: (i) the City will issue Note 1 to the Developer within 45 days after the Closing Date; (ii) the City will issue Note 2 to the Developer upon the submission of documentation satisfactory to DPD and similar to that required for execution of this Agreement, which may include the following regarding Phase II: satisfactory evidence of the availability of financing, the existence of suitable leases, and that a construction contractor is in place. Payments under the Notes are subject to the amount of the Available Increment deposited into the North-Cicero TIF Fund being sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to make payments under the Notes to reimburse costs related to TIF-Funded Improvements up to a maximum of \$3,000,000 is contingent upon the fulfillment of the conditions set forth in the preceding sentence.

The parties acknowledge that the number of Notes issued by the City may vary, as agreed by the parties, subject to the limitation that the aggregate principal amount of the Notes may not exceed the lesser of \$3,000,000 or 14.4% of the total actual costs of the Project (excluding the value of the City Conveyance Property as measured by the cost of acquisition), and that the terms relating to the interest rate, maturity date and source of repayment described herein for Note 1 and Note 2 shall also apply to any Notes issued.

Prior to the issuance of any Notes, the City will attempt to obtain, at the Developer's expense, the opinion referred to in Section 5.09(b) hereof. If the opinion cannot be obtained, then the Notes will be issued on a taxable basis.

(c) Reductions in the Notes. The principal amounts of the Notes shall be reduced as follows:

(i) if the Developer receives annual base rental income (as calculated in the pro forma financial statements for the Facility delivered to DPD by the Developer and dated August 21, 1998 (the "Pro Forma")) from the Facility greater than 105% of the annual base rental income indicated in the Pro Forma (the "Pro Forma Income"), the principal amounts of the Notes shall be reduced pro rata (based on the principal amounts outstanding) by 450% of the amount by which the annual base rental income received exceeds 105% of the Pro Forma Income. (If the Facility consists of only Phase I, or if Phase II is never completed, then the reduction in principal under this subparagraph (i) shall be determined by comparing the annual base rental income of the Facility to the Pro Forma Income attributable to Phase I.) This determination shall be made once, at the time the Developer provides information to the City regarding its fully-leased rate pursuant to Section 8.13 hereof.

(ii) if all or any portion of the property included in Phase II of the Project is sold to a Major Retailer, the principal amounts of the Notes shall be reduced pro rata (based on the principal amounts outstanding) by 50% of the amount by which the sales price exceeds (a) \$7.00 per square foot, if the property sold excludes the Phase II Outlots, or (B) \$9.00 per square foot, if the property includes the Phase II Outlots.

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

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

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

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

4.07 Costs of Issuance. The Developer shall be responsible for paying for all costs relating to the issuance of the Notes,

including costs relating to the opinion described in Section 5.09 (b) hereof.

4.08 Acknowledgment Regarding Available Increment. The Developer, as the holder of the Notes, hereby acknowledges that, notwithstanding the terms of the ordinance passed by the City Council on April 21, 1999 regarding the execution of this Agreement and the issuance of the Notes, the Incremental Taxes available for payment of the Notes has been modified as reflected herein in the definition of Available Increment.

## SECTION 5. CONDITIONS PRECEDENT

The following conditions shall be complied with to the City's satisfaction (or, with respect to Section 5.05(b), to the Developer's satisfaction) within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

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

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

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

5.04 Financing. The Developer shall have furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 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 shall have furnished proof as of the Closing Date that the proceeds thereof are available to the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. Any liens against the Property in existence at the Closing Date shall be subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, pursuant to which the existing liens are made subordinate to covenants identified in Section 7.02 hereof as covenants that run with the land. The Subordination Agreement will be recorded, at the Developer's expense, against the Property.

5.05 Acquisition and Title; City Conveyance Property. (a) On the Closing Date, the Developer shall furnish the City, at Developer's cost, with a copy of the Title Policy for the portion of the Property other than the City Conveyance Property, certified

by the Title Company, showing the Developer as the named insured. The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy shall also contain such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Property (other than the City Conveyance Property) and certified copies of all easements and encumbrances of record with respect to the Property (other than the City Conveyance Property) not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

(b) On the Closing Date, the City will deliver a Quitclaim Deed to the City Conveyance Property to the Developer, which shall also state that it is being conveyed in its "AS IS" and "WHERE IS" condition and state, and the City shall furnish the Developer, at Developer's cost, with a Title Policy for the City Conveyance Property, issued by the Title Company, showing the Developer as the named insured. The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. Except as otherwise agreed by the City and the Developer, the Title Policy shall reflect a No Further Remediation notice recorded in connection with the City Conveyance Property and also shall contain such endorsements as shall be required by the Developer, 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's acceptance of the Deed is subject to the Developer's receipt of a survey for the City Conveyance Property acceptable to the Developer. The Developer shall take the City Conveyance Property subject to any mortgage or encumbrance (which shall contain such terms as are agreed to by the City, the Developer, and the Chicago Transit Authority) placed thereon by the City in favor of the Chicago Transit Authority. The mortgage (or encumbrance) shall include (unless otherwise agreed to by the parties) the following terms: (i) it shall be released upon the Anchor Tenant's receipt of a temporary certificate of occupancy, (ii) it shall be subordinate to any mortgage granted to a construction or permanent lender, (iii) it shall contain subordination and non-disturbance provisions acceptable to the Anchor Tenant or other tenants, (iv) it shall not encumber the Phase I Outlots or Phase II Outlots; and (v) it shall be released on any portion of the property included in Phase II of the Project that is sold or leased to a Major Retailer.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the Developer's name as follows:

Secretary of State

UCC search

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

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

5.07 Surveys. Not less than five (5) business days prior to the Closing Date, the Developer shall have furnished the City with three (3) copies of the Survey.

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

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

(b) Prior to the issuance of tax-exempt Notes, if any, the City shall have received from Hopkins & Sutter, special counsel to the City, an opinion regarding the tax-exempt status of the Notes, in form acceptable to the Corporation Counsel.

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

5.11 Financial Statements. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided Financial Statements (consisting of a pro forma balance sheet of the Developer as of the Closing Date). In addition, the Developer agrees to provide the City with copies of any financial statements of the Developer required by any lenders in connection with the Lender Financing.

5.12 Employment and Operation Documentation. The Developer shall have provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, as

well as any ground leases or operating leases executed by the Developer in connection with the Project. The Developer shall have provided to the City a copy of its lease with the Anchor Tenant for the City's review and approval.

5.13 Environmental. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided DPD with copies of that certain phase I environmental audit completed with respect to the portion of the Property other than the City Conveyance Property. Based on the City's review thereof, the City may, in its sole discretion, require the completion of a phase II environmental audit with respect to the portion of the Property other than the City Conveyance Property prior to the Closing Date. Prior to the Closing Date, the Developer shall provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents. The Developer shall provide a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of formation; certificates of good standing from the Secretary of State of its state of formation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; a certified copy of its Operating Agreement; and such other organizational documentation as the City may request.

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

5.16 Preconditions of Disbursement. Prior to the acceptance by DPD of any Certificate of Expenditure under the Notes, the Developer shall submit to DPD documentation of such expenditures (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as DPD may reasonably require), which shall be satisfactory to DPD. Delivery by the Developer to DPD of any Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) the Developer has approved all work and materials for the current certificate, 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 or liens for which the Developer has obtained title insurance or other acceptable insurance;

(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 Lender Financing, if any; (ii) the undisbursed Equity; and (iii) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the City or the escrow agent, cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further acceptance of a Certificate of Expenditure shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any acceptance of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct. The Developer shall have satisfied all other preconditions for each acceptance of a Certificate of Expenditure, including but not limited to requirements set forth in the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, the Notes, this Agreement and/or the Escrow Agreement.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its



inspection and written approval. The Developer shall use best efforts to solicit bids from qualified contractors having an office located in the City of Chicago.

(i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof.

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

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

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval (which shall not be unreasonably withheld), which shall be granted or denied within ten (10) business days after delivery thereof. Such submission shall be accompanied by a written notice to the City that if the Construction Contract is not approved or disapproved within the ten (10) business day approval period after delivery thereof, in accordance with the provisions of Section 6.02 of the Agreement the City shall be deemed to have approved the Construction Contract. In the event that DPD does not respond within this ten day period, the contract shall be deemed approved. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other

parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Commitment) (only for the Construction Contract), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement and after the final disbursement from the Escrow, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. Upon completion of Phase I or Phase II of the Project in accordance with the terms of this Agreement and after the final disbursement from the Escrow made with respect to such portion of the Project, and upon the Developer's written request, DPD shall issue to the Developer a Component Completion Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete such portion of the Project in accordance with the terms of the Agreement. DPD shall respond to the Developer's written request for a certificate within thirty (30) days by issuing either a certificate or a written statement detailing the ways in which the Project (or portion thereof) does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the certificate. The Developer may resubmit a written request for a certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The certificate issued pursuant to Section 7.01 hereof relates only to the portion of the Project described therein, 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 a certificate hereunder 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(b) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

(a) the right to terminate this Agreement and cease all disbursement of City Funds for the uncompleted phase not yet disbursed under the Note for that phase pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements related to the uncompleted phase and to pay for the costs of TIF-Funded Improvements (including interest costs) out of Available Increment or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements for the uncompleted phase 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 Increment; and

(c) the right to seek reimbursement of the City Funds disbursed for the uncompleted phase 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 Notes or the TIF Bonds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the

Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

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

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

(a) the Developer is an Illinois limited liability company duly organized, validly existing, 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 pursuant to the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget, non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof, and liens for which the Developer has obtained insurance); provided, that after the issuance of a Certificate, the Developer may not sell or transfer all or any portion of the Property without the prior written consent of the City, which is not to be unreasonably withheld or delayed; provided, further, that the City shall have the right to review the proposed uses of any purchaser of the Property to confirm that no such uses are listed on Exhibit K hereto;

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

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending or, to the Developer's knowledge, 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 DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (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 DPD, allow the existence of any liens against the Property other than the Permitted Liens, Lender Financing as disclosed in the Project Budget, non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof, and liens for which the Developer has obtained insurance; or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

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

#### 8.02 Covenants to Redevelop.

Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building

permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer.

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

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

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

8.06 Job Creation and Retention.

(a) The Developer shall create or cause to be created (and retain or cause to be retained throughout the term of this Agreement) jobs for not less than 250 full-time and part-time employees at the Facility in Phase I of the Project, and not less than an additional 150 full-time and part-time employees at the Facility in Phase II of the Project. In addition, approximately 100 construction jobs will be created in connection with the construction of the Project.

(b) The covenants set forth in this Section shall run with the land and be binding on any transferee.

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

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

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

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

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

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

8.13 Leasing Information. The Developer shall provide to the City a statement of the leasing rates for the Facility, along with an overall leasing rate for the Facility, by the earlier to occur of (a) the time the Facility has been fully leased, (b) one year after the issuance of the Certificate, or (c) two years after the issuance of the Component Certificate for Phase I (or the occurrence of such other event evidencing completion of Phase I as shall be satisfactory to the City), in the event that the Developer fails to commence Phase II within such two-year period in a manner sufficient to trigger the issuance of any Notes for Phase II pursuant to Section 4.03(b) hereof. The leasing rates shall be stated on an annual amount per square foot basis.

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

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

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

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

(ii) at DPD's sole option (provided that the Developer has not obtained insurance for such Non-Governmental Charge), to furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and



local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Job Training/Job Readiness Program. The City intends to establish a work readiness and job training program (the "Job Training and Job Readiness Program") in order to help prepare individuals to work for businesses located within the Redevelopment Area. The general terms and goals of the Job Training And Job Readiness Program are described on Exhibit P attached hereto, which may from time to time be further modified, refined and supplemented to provide a more detailed basis for implementation. The Developer hereby agrees to participate in the Job Training And Job Readiness Program. At DPD's request, the Developer must contribute up to \$100,000 to the Job Training and Job Readiness Program, or another similar program designated by the City. The Developer's financial commitment may be reduced by the dollar value, as determined by the Developer and approved by DPD, of the "in house" training which the Anchor Tenant offers to its employees at the Facility within two years after the issuance of the Certificate.

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.

8.21 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or

encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

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

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer shall procure and maintain the following insurance:

(i) During construction of the Project, All Risk Property Insurance in the amount of the full replacement value or completed value of the Property.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

8.22 Escrow Agreement. The Developer will deliver to the City a copy of the Escrow Agreement within ten days after the execution thereof, and will deliver any amendments thereto within ten days after the execution thereof.

#### 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 they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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

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

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver

request as provided for in the standards and procedures developed by the Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

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 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 retainer to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

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

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

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago. A property management contract is not a contract let by the Developer in connection with the Project.

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

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

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to

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

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

g. Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. Such documentation will include the following: (1) subcontractor's activity report; (2) contractor's certification concerning labor standards and prevailing wage requirements; (3) contractor letter of understanding; (4) monthly utilization report; (5) authorization for payroll agent; (6) certified payroll; (7) evidence that MBE/WBE contractor associations have been informed about the Project, via written notice and meetings; and (8) evidence of compliance with the job creation/job retention requirements hereunder. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

#### SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan. The Developer acknowledges that it is familiar with the environmental condition of the City Conveyance Property and that, in connection with the City Conveyance Property, the Developer has received copies of the environmental audits shown on Exhibit Q attached hereto and hereby made a part hereof, remediation plans, and a No Further Remediation notice from the Illinois Environmental Protection Agency.



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

## SECTION 12. INSURANCE

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

(a) Prior to Execution and Delivery of this Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

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

non-contributory basis for any liability arising directly or indirectly from the work.

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

persons, and for damage to or destruction of property, including the loss of use thereof.

(v) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must

have an extended reporting period of one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Other Requirements

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

The insurance shall provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed, except that the insurance may provide for 30 days prior written notice to be given to the City in the event of non-payment of premium.

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

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

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

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

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

The Developer shall require the contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the Contractor, or subcontractors. All Contractors and subcontractors shall be subject to the same requirements (Section C) of Developer unless otherwise specified herein.

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

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

### SECTION 13. INDEMNIFICATION

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

### SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

## SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the

Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution, the effect of which would have a material adverse effect on the ability of the Developer to perform its obligations under this Agreement;

(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).

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

#### 15.02 Remedies.

Upon the occurrence of an Event of Default and subject to the limitations of Section 7.03, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

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

the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

#### SECTION 16. MORTGAGING OF THE PROJECT

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

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and 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 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 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 agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if



such party accepts an assignment of the Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such Mortgagee or other party succeeding to the Developer's interest in the Property does not expressly accept an assignment of the Developer's interest hereunder, such party shall be 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) New Mortgages. Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD. In any event, the mortgagor under any such New Mortgage is subject to the terms of this Section 16

#### 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) overnight courier, or (c) registered or certified mail, return receipt requested.

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

With Copies To:           City of Chicago  
                                  Department of Law  
                                  Finance and Economic Development Division  
                                  121 North LaSalle Street, Room 600  
                                  Chicago, IL 60602

If to the Developer:       North and Cicero Development L.L.C.  
                                  4104 North Harlem Avenue  
                                  Chicago, Illinois 60634-1298

With Copies To:           Richard F. Friedman  
                                  Earl L. Neal & Associates  
                                  111 W. Washington, Suite 1700  
                                  Chicago, Illinois 60602

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 clause (a) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or

request sent pursuant to clauses (b) or (c) shall be deemed received upon actual receipt or refusal of delivery

## SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City.

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

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

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and/or the ordinance authorizing the execution and delivery of this Agreement and the issuance of the Notes, such ordinance(s) shall prevail and control.

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

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

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

18.15 Assignment. Prior to the issuance by the City to the Developer of a Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Notwithstanding the issuance of such Certificates, any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to the covenants that run with the land as described in Section 7 and Section 8.20 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or

other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder.

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 No Business Relationship with City Elected Officials.  
Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, 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 official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, shall be grounds for termination of this Agreement and the transactions contemplated thereby. 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 thereby.

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

NORTH AND CICERO DEVELOPMENT L.L.C., an Illinois limited liability company

By: The Harlem Irving Companies, Inc.,  
Manager

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

Its \_\_\_\_\_

CITY OF CHICAGO

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

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

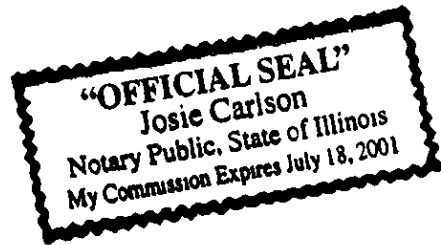
STATE OF ILLINOIS    )  
                                  )  SS  
COUNTY OF COOK       )

I, Josie Carlson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Daniel Blake personally known to me to be the vice president of The Harlem Irving Companies, Inc., sole manager of North and Cicero Development L.L.C., an Illinois limited liability company, 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 members of North and Cicero Development L.L.C., as his free and voluntary act and as the free and voluntary act of North and Cicero Development L.L.C., for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 24<sup>th</sup> day of November, 1999.

Josie Carlson  
Notary Public  
My Commission Expires \_\_\_\_\_

(SEAL)



STATE OF ILLINOIS     )  
                                  )     SS  
COUNTY OF COOK        )

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

GIVEN under my hand and official seal this 24<sup>th</sup> day of November, 1999.

Patricia M. Ryan  
Notary Public

My Commission Expires 5/6/2002



Exhibit A -- Redevelopment Area

City of Chicago  
North/Cicero - Redevelopment Plan

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LEGAL DESCRIPTION

THAT PART OF THE NORTHWEST QUARTER OF SECTION 3 AND THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE SOUTHEAST QUARTER OF SECTION 33 AND THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION OF THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 33 WITH THE WEST LINE OF LAVERGNE AVENUE AS EXTENDED FROM THE SOUTH, THENCE NORTHERLY, ON SAID LINE EXTENDED, 50.0 FEET TO THE NORTH LINE OF NORTH AVENUE; THENCE EASTERLY ALONG SAID NORTH LINE TO THE WEST LINE OF LAMON AVENUE AS DEDICATED IN WEST NORTH AVENUE SUBDIVISION, THENCE NORTHERLY ALONG SAID LINE OF LAMON AVENUE, 124.25 FEET, MORE OR LESS, TO THE SOUTH LINE OF LOT 1 IN BLOCK 6 IN THE SUBDIVISION OF THAT PART OF THE SOUTHEAST QUARTER OF SECTION 33 LYING EAST OF THE WEST 26.60 CHAINS AS EXTENDED WEST; THENCE EASTERLY, ALONG SAID EXTENDED LINE AND ALONG THE SOUTH LINES OF LOTS 1 THROUGH 30 IN SAID SUBDIVISION, TO THE WEST LINE OF CICERO AVENUE AS PRESENTLY DEDICATED, THENCE EASTERLY TO THE SOUTHWEST CORNER OF LOT 28 IN SPRAGUE AND WILSON'S SUBDIVISION OF BLOCK 18 IN W & R O'BRIEN'S SUBDIVISION, THENCE EASTERLY 315.0 FEET, MORE OR LESS, TO THE EAST LINE OF KEATING AVENUE, THENCE SOUTHERLY ALONG SAID EAST LINE, 241.0 FEET TO A POINT ON THE SOUTHERLY LINE OF NORTH AVENUE, THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID NORTH AVENUE TO THE EAST LINE OF KEATING AVENUE, THENCE SOUTHERLY ALONG THE EAST LINE OF KEATING AVENUE 138.0 FEET TO THE NORTH LINE OF LOT 47 IN JOHN F THOMPSON'S NORTH AVENUE SUBDIVISION AS EXTENDED EASTERLY, THENCE WESTERLY ALONG SAID LINE EXTENDED AND ALONG THE NORTH LINE OF SAID LOT 47 191.0 FEET TO THE NORTHWEST CORNER OF SAID LOT 47, THENCE SOUTHERLY 747.72 FEET, MORE OR LESS, ALONG THE EAST LINE OF A PUBLIC ALLEY, TO THE SOUTH LINE OF A 16.0 FEET WIDE PUBLIC ALLEY IN PETTIBONE MULLIKEN COMPANY'S CONSOLIDATION PLAT RECORDED PER DOCUMENT 8212506, THENCE WESTERLY, ALONG THE SOUTH LINE OF SAID ALLEY 190.88 FEET TO THE EASTERLY LINE OF CICERO AVENUE, THENCE SOUTHERLY ALONG THE EASTERLY LINE OF CICERO AVENUE TO A POINT ON THE SOUTHERLY LINE OF HIRSCH STREET AS EXTENDED WEST; THENCE WESTERLY, ALONG SAID SOUTHERLY LINE OF HIRSCH STREET, 174.0 FEET TO A POINT ON THE EAST LINE OF LOT 1 IN THEODORE J SCHORSCH'S RESUBDIVISION, AS RECORDED BY DOCUMENT 15699705, AS EXTENDED SOUTHERLY, THENCE NORTHERLY ALONG SAID EAST LINE, 185.66 FEET TO AN ANGLE IN SAID LOT 1, THENCE NORTHWESTERLY, ALONG A LINE OF SAID LOT 1, 7.07 FEET,



TO AN ANGLE OF SAID LOT 1, THENCE WESTERLY, ALONG THE NORTH LINE OF LOTS 1 THROUGH 26 IN SAID THEODORE J. SCHORSCH'S RESUBDIVISION, 999.24 FEET, MORE OR LESS, TO THE EAST LINE OF LOT 11 IN THEODORE J. SCHORSCH'S RESUBDIVISION, AS RECORDED BY DOCUMENT 15618701, AS EXTENDED SOUTH, THENCE NORTHERLY, ALONG SAID EAST LINE AND THE EAST LINE OF LOTS 11 THROUGH 1 IN SAID RESUBDIVISION, 471.42 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN SAID RESUBDIVISION, BEING A POINT ON THE SOUTH LINE OF LEMOYNE AVENUE, THENCE WESTERLY, ALONG SAID SOUTH LINE OF LEMOYNE AVENUE AND ITS EXTENSION WEST, 191.15 FEET TO THE WEST LINE OF LAVERGNE AVENUE, SAID POINT BEING 33 0 FEET WEST OF THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 4; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LAVERGNE AVENUE, 694 75 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 4 BEING THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Exhibit B  
Property - Redevelopment Site

ALL THAT PART OF BLOCKS 1,2,7,8 AND ALL VACATED STREETS AND ALLEYS VACATED BY DOCUMENTS 15138514, 11921246 AND 4591953, IN KOCHERSPERGER AND THOMPSON'S NORTH AVENUE SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND LOTS 1 THRU 12 IN THE RESUBDIVISION OF PARTS OF BLOCKS 7 AND 8 IN KOCHERSPERGER AND THOMPSON'S NORTH AVENUE SUBDIVISION, BEING A SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED DECEMBER 11, 1936 AS DOCUMENT 11921245 DESCRIBED AS FOLLOWS

BEGINNING AT THE NORTHWEST CORNER OF SAID BLOCK 8, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF NORTH AVENUE WITH THE EAST LINE OF LAVERNGE AVENUE, THENCE NORTH 89 DEGREES 52 MINUTES 09 SECONDS EAST (ASSUMED BEARING), ALONG THE SOUTH LINE OF SAID NORTH AVENUE, 1250 96 FEET TO A POINT ON THE WEST LINE OF N. CICERO AVENUE AS DEEDED PER QUIT CLAIM TO THE PEOPLE OF THE STATE OF ILLINOIS RECORDED FEBRUARY 7, 1980 AS DOCUMENT 25353090, THENCE SOUTHERLY ALONG THE WEST LINE OF SAID N. CICERO AVENUE THE FOLLOWING 4 COURSES, SOUTH 45 DEGREES 05 MINUTES 34 SECONDS EAST, 14 13 FEET, THENCE SOUTH 0 DEGREES 03 MINUTES 17 SECONDS EAST, 185 0 FEET, THENCE SOUTH 1 DEGREE 57 MINUTES 50 SECONDS EAST, 300 17 FEET, THENCE SOUTH 0 DEGREES 03 MINUTES 17 SECONDS EAST, 84 76 TO THE NORTH LINE OF LEMOYNE AVENUE, THENCE SOUTH 89 DEGREES 55 MINUTES 04 SECONDS WEST, ALONG THE NORTH LINE OF LEMOYNE AVENUE, 1270.52 FEET TO THE EAST LINE OF LAVERNGE AVENUE, BEING THE SOUTHWEST CORNER OF SAID BLOCK 7, THENCE NORTH 0 DEGREES 05 MINUTES 55 SECONDS WEST, ALONG THE EAST LINE OF SAID LAVERNGE AVENUE 578.70 FEET; TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Land Acquisition, not incl. CTA Land	\$1,338,000
Demolition and Remediation	260,000
Site Preparation	3,855,481
 TOTAL	 \$5,453,481

2. 2015

1. 2014

Exhibit E

Omitted

Exhibit F

Omitted

## EXHIBIT G

### PERMITTED LIENS

Liens or encumbrances against the Property.

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy number N9900888 issued by the Near North National Title Corporation 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.

EXHIBIT H

PROJECT BUDGET

<u>Item</u>	<u>Cost</u>
Land Acquisition, not incl. CTA Land	\$1,338,000
Demolition and Remediation	260,000
Site Preparation	3,855,481
Construction	9,453,656
Soft Costs	3,170,767
Contingency	1,634,671
Financing Costs	<u>765,975</u>
TOTAL PROJECT COSTS	\$20,478,550

Exhibit I -- Approved Prior Expenditures

NORTH AND CICERO DEVELOPMENT, L L C  
PRE-CLOSING QUALIFIED TIF EXPENDITURES  
NOVEMBER 3, 1999

LAND DEPOSITS	82,000 00
SITE ENGINEERING	98,818 04
ENVIRONMENTAL CONSULTING AND REPORTS	22,027 86
LEGAL COST FOR LAND ACQUISITION	5,541 71
SURVEY	22,560 00
SOIL AND ENVIRONMENTAL TESTING	12,799 08
TIF CONSULTANTS	<u>31,153 83</u>
	<u><u>274,900 52 *</u></u>

\* To be approved by DPD upon receipt of documentation satisfactory to DPD  
evidencing such expenditures



EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

\_\_\_\_\_, 199\_

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION Corporation Counsel

Ladies and Gentlemen.

We have acted as counsel to \_\_\_\_\_, 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 \_\_\_\_\_ 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) \_\_\_\_\_ 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 corporate proceedings relating to the Project, and

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

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

Based on the foregoing, it is our opinion that

1 The Developer is a 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 limited liability company 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 Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of [Lender]

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

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

5. Exhibit A attached hereto (a) identifies each class of membership interests of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of membership interests of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the membership interests of the Developer. Each outstanding share of each class of membership interests of the Developer is duly authorized, validly issued, and fully paid.

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

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

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

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

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

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

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

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

Very truly yours,

\_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_

## EXHIBIT K

### PROHIBITED USES

1. Offices (except as incidental to permitted retail or commercial uses or as may be found in similar retail or commercial centers, such as, without limitation, real estate offices, insurance offices and medical/dental offices);
2. Funeral homes,
3. Any production, manufacturing, or industrial use of any kind or nature, except for production of products incidental to the retail sale thereof from the Project;
4. Entertainment or recreational facilities, including but not limited to, a skating rink, electronic or mechanical game arcade (except as an incidental use to a retail or commercial business or bowling alley, in which case such use shall be restricted to less than five percent (5%) of the floor area occupied by such business), billiard room or pool hall (except as an incidental use to a bowling alley), massage parlor, discotheque, dance hall, banquet hall, pornographic or "adult" bookstore, tattoo parlor, or other place of public amusement, but not including theaters, bowling alleys, health spas or studios or fitness centers, restaurants (including live entertainment and dancing, and the serving or liquor in conjunction therewith, so long as the primary focus of the establishment is serving food), or gymnasiums;
5. The displaying, repairing, renting, leasing or sale of any motor vehicle, boat or trailer (except auto parts stores containing bay areas, e.g., PepBoys, Auto Zone, or sales or rental of motor vehicles, boats or trailers which are incidental to a wholesale club operation);
6. Any use which creates a nuisance or materially increases noise or emission of dust, odor, smoke, gases or materially increases fire, explosion or radioactive hazards in the Project;
7. Flea markets;
8. Any use involving Hazardous Materials, except as may be customary in first class neighborhood shopping centers in the Chicago metropolitan area

Exhibit L-1 -- Form of Note 1

REGISTERED  
NO. R-1

MAXIMUM AMOUNT  
\$1,600,000

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE  
(NORTH-CICERO REDEVELOPMENT PROJECT), SERIES A**

Registered Owner: North and Cicero Development L.L.C.

Interest Rate: 3.0%

Maturity Date: \_\_\_\_\_, 2019

**KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of \$1,600,000 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above and compound on December 31 of each year until paid. Principal of and interest on this Note are payable on February 1 of each year from Available Increment, as such term is**

defined in the Redevelopment Agreement hereinafter referred to ("Available Increment"), which includes certain of the available incremental ad valorem tax revenues on deposit in the Developer Account established pursuant to the Ordinance hereinafter referred to. Payments on this Note shall be applied first to accrued but unpaid interest and thereafter to principal

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is one of a series of Notes (the "Notes") issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by North and Cicero Development L.L.C. (the "Developer") up to \$3,000,000 for the purpose of paying or reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer (the "Project") in connection with the development of a site in the North-Cicero Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65

ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.), an Ordinance adopted by the City Council of the City on April 21, 1999 (the "Ordinance") and the Redevelopment Agreement, in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act, the Ordinance and the Redevelopment Agreement, in order to pay the principal of and interest of the Notes. Reference is hereby made to the aforesaid Ordinance and Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Notes and the terms and conditions under which the Notes are issued and secured **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENT, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.**

The principal of this Note is subject to (i) reduction and (ii) prepayment and redemption without penalty in accordance with the Redevelopment Agreement hereinafter referred to.



This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note shall be executed and delivered as the Ordinance and Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, 1999 (the "Redevelopment Agreement") between the City and the Developer, the Developer has agreed to acquire and construct the Project and to advance funds for the incursion under the TIF Act of certain eligible redevelopment project costs related to the Project on behalf of the City. Such costs up to the amount of \$3,000,000 as determined and adjusted pursuant to the Redevelopment Agreement shall be deemed to be a disbursement of the proceeds of the Notes, and the outstanding principal amount of the Notes shall be increased by the amount of each such advance from time to time. The principal amount outstanding of the Notes shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the

Commissioner of the Department of Planning and Development (or his or her designee) in accordance with the Redevelopment Agreement, minus any principal amount paid on the Notes or other reductions pursuant to the Redevelopment Agreement. The City shall not execute Certificates of Expenditure with respect to the Notes that total in excess of \$3,000,000.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate and suspend payments of principal of and interest on this Note upon the occurrence and continuance of an Event of Default, as defined in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law, that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

**IN WITNESS WHEREOF**, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized manual or facsimile signature of the Mayor and attested by the duly authorized manual or facsimile signature of the City Clerk of the City, all as of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Mayor

(SEAL)  
Attest:

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

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is one of the \$3,000,000 Tax Increment Allocation Revenue Notes (North-Cicero Redevelopment Project), Series A, of the City of Chicago, Cook County, Illinois

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

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_ the within Note.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

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

Title: \_\_\_\_\_  
Department of Planning and Development

## Exhibit L-2 -- Form of Note 2

REGISTERED  
NO R-2MAXIMUM AMOUNT  
\$1,400,000

**UNITED STATES OF AMERICA**  
**STATE OF ILLINOIS**  
**COUNTY OF COOK**  
**CITY OF CHICAGO**  
**TAX INCREMENT ALLOCATION REVENUE NOTE**  
**(NORTH-CICERO REDEVELOPMENT PROJECT), SERIES A**

Registered Owner: North and Cicero Development L.L.C.

Interest Rate 8.0%

Maturity Date: \_\_\_\_\_, 2019

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of \$1,400,000 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above and compound on December 31 of each year until paid. Principal of and interest on this Note are payable on February 1 of each year from Available Increment, as such term is

defined in the Redevelopment Agreement hereinafter referred to ("Available Increment"), which includes certain of the available incremental ad valorem tax revenues on deposit in the Developer Account established pursuant to the Ordinance hereinafter referred to. Payments on this Note shall be applied first to accrued but unpaid interest and thereafter to principal.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is one of a series of Notes (the "Notes") issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by North and Cicero Development L.L.C. (the "Developer") up to \$3,000,000 for the purpose of paying or reimbursing the costs of certain eligible redevelopment project costs incurred by the Developer (the "Project") in connection with the development of a site in the North-Cicero Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65

ILCS 5/11-74 4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.), an Ordinance adopted by the City Council of the City on April 21, 1999 (the "Ordinance") and the Redevelopment Agreement, in all respects as by law required

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act, the Ordinance and the Redevelopment Agreement, in order to pay the principal of and interest of the Notes. Reference is hereby made to the aforesaid Ordinance and Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Notes and the terms and conditions under which the Notes are issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENT, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.**

The principal of this Note is subject to (i) reduction and (ii) prepayment and redemption without penalty in accordance with the Redevelopment Agreement hereinafter referred to

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note shall be executed and delivered as the Ordinance and Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, 1999 (the "Redevelopment Agreement") between the City and the Developer, the Developer has agreed to acquire and construct the Project and to advance funds for the incursion under the TIF Act of certain eligible redevelopment project costs related to the Project on behalf of the City. Such costs up to the amount of \$3,000,000 as determined and adjusted pursuant to the Redevelopment Agreement shall be deemed to be a disbursement of the proceeds of the Notes, and the outstanding principal amount of the Notes shall be increased by the amount of each such advance from time to time. The principal amount outstanding of the Notes shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the



Commissioner of the Department of Planning and Development (or his or her designee) in accordance with the Redevelopment Agreement, minus any principal amount paid on the Notes or other reductions pursuant to the Redevelopment Agreement. The City shall not execute Certificates of Expenditure with respect to the Notes that total in excess of \$3,000,000.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate and suspend payments of principal of and interest on this Note upon the occurrence and continuance of an Event of Default, as defined in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized manual or facsimile signature of the Mayor and attested by the duly authorized manual or facsimile signature of the City Clerk of the City, all as of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Mayor

(SEAL)  
Attest:

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

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is one of the \$3,000,000 Tax Increment Allocation Revenue Notes (North-Cicero Redevelopment Project), Series A, of the City of Chicago, Cook County, Illinois.

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

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_ the within Note

Dated. \_\_\_\_\_

\_\_\_\_\_ Registered Owner

NOTICE. The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Consented to as of: \_\_\_\_\_

City of Chicago, Illinois

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

Title. \_\_\_\_\_  
Department of Planning and Development



EXHIBIT M  
MBE WBE BUDGET

<u>ITEM</u>	<u>TOTAL</u>
OFF-SITE WORK	\$ 500 000
ON-SITE WORK	3.098 219
DEMOLITION	65.000
ASBESTOS REMOVAL	100.000
BUILDING CONSTRUCTION	<u>10 162.720</u>
	\$ 13.925.939

Exhibit N  
City Conveyance Property

LOTS 1 TO 49, INCLUSIVE, IN BLOCK 1, LOTS 1 TO 48, INCLUSIVE, IN BLOCK 2 TOGETHER WITH ALL THE 16.0 FOOT ALLEYS IN SAID BLOCKS 1 AND 2 VACATED BY ORDINANCE PASSED JUNE 27, 1910 AND RECORDED JULY 8, 1910 AS DOCUMENT NUMBER 4591953; ALSO, ALL THAT PART OF W PIERCE AVENUE LYING BETWEEN SAID BLOCKS 1

AND 2 BEING ALSO VACATED BY THE ABOVE MENTIONED ORDINANCE. ALL IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM THE ABOVE THOSE PARTS OF LOTS 1, 45, 46, 47, 48 AND 49 AND VACATED ALLEY IN BLOCK 1 AND LOTS 1 TO 7 IN BLOCK 2 AND VACATED W PIERCE AVENUE TAKEN FOR THE WIDENING OF N. CICERO AVENUE BY QUITCLAIM DEED TO THE PEOPLE OF THE STATE OF ILLINOIS RECORDED FEBRUARY 7, 1980 AS DOCUMENT NUMBER 25353090), IN COOK COUNTY, ILLINOIS.

ALSO, ALL THAT PART OF N. LAMON AVENUE LYING SOUTH OF THE SOUTH LINE OF W. NORTH AVENUE EXTENDED AND LYING NORTH OF THE NORTH LINE OF W. LEMOYNE AVENUE EXTENDED AS LAID OUT IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION, AFORESAID, IN COOK COUNTY, ILLINOIS

ALSO, ALL THAT PART OF W. PIERCE AVENUE LYING WEST OF THE WEST LINE OF N LAMON AVENUE EXTENDED AND LYING EAST OF THE EAST LINE OF LOT 4 EXTENDED SOUTH AND THE EAST LINE OF LOT 5 EXTENDED NORTH IN THE RESUBDIVISION OF LOTS 21 TO 30, THE WEST 20 FEET OF LOTS 20 AND 31 AND VACATED ALLEY BETWEEN SAID LOTS IN BLOCK 7, LOTS 26 TO 30 AND THE WEST 20 FEET OF LOT 31 IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION, AFORESAID, IN COOK COUNTY, ILLINOIS.

ALSO,  
LOTS 1 TO 20, INCLUSIVE, (EXCEPT THE WEST 20.0 FEET OF LOT 20), LOTS 31 TO 50, INCLUSIVE, (EXCEPT THE WEST 20.0 FEET OF LOT 31, ALSO EXCEPT THE SOUTH 70.0 FEET OF LOTS 32 TO 41, INCLUSIVE, AND THE SOUTH 70.0 FEET OF THAT PART OF LOT 31 AS DESCRIBED HEREIN) IN BLOCK 7 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO, ALL OF THE EAST AND WEST 16 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 1 TO 20, INCLUSIVE, LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 31 TO 50, BOTH INCLUSIVE, LYING EAST OF AND ADJOINING THE EAST LINE OF THE WEST 20.0 FEET OF SAID LOT 20 PRODUCED SOUTH 16.0 FEET AND LYING WEST OF AND ADJOINING THE EAST LINE OF SAID LOT 1 PRODUCED SOUTH 16.0 FEET, ALL IN BLOCK 7 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFOREMENTIONED; ALL OF THE NORTH AND SOUTH 16.0 FEET VACATED ALLEY (EXCEPT THE SOUTH 70.0 FEET THEREOF) LYING WEST OF AND ADJOINING THE EAST LINE OF THE WEST 20.0 FEET OF LOTS 20 AND 31 AND THE EAST LINE OF THE WEST 20.0 FEET OF SAID LOT 20 PRODUCED SOUTH 16.0 FEET, IN BLOCK 7 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID, LYING EAST OF AND ADJOINING THE EAST LINE OF LOTS 5 TO 12, BOTH INCLUSIVE, AND LYING SOUTH OF AND ADJOINING THE NORTH LINE OF SAID LOT 5 PRODUCED EAST 16.0 FEET, IN THE RESUBDIVISION OF LOTS 21 TO 30, INCLUSIVE, THE WEST 20.0 FEET OF LOTS 20 AND 31 AND THE VACATED ALLEY BETWEEN SAID LOTS IN BLOCK 7 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION, AFORESAID, IN COOK COUNTY, ILLINOIS

ALSO,

LOTS 1 TO 25 AND 31 TO 50, ALL INCLUSIVE, (EXCEPT THE WEST 20.0 FEET OF SAID LOT 31), IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION OF

THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.()

ALSO, ALL OF EAST-WEST VACATED 16.0 FOOT ALLEY LYING SOUTH OF AND ADJOINING LOTS 1 TO 20, NORTH OF AND ADJOINING LOT 31 (EXCEPT THE WEST 20 0 FEET THEREOF) AND LOTS 32 TO 50 AND EAST OF THE EAST LINE OF THE WEST 20 0 FEET OF LOT 31 PRODUCED NORTH 16.0 FEET, IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION, AFORESAID, IN COOK COUNTY, ILLINOIS.

ALSO, ALL OF THE EAST AND WEST 16 0 FOOT VACATED ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 20 TO 25, BOTH INCLUSIVE, AND LYING WEST OF AND ADJOINING THE EAST LINE OF THE WEST 20 0 FEET OF LOT 31 PRODUCED NORTH 16.0 FEET, IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID AND LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE RESUBDIVISION OF LOTS 26 TO 30, INCLUSIVE, AND THE WEST 20 0 FEET OF LOT 31 IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID AND LYING NORTH OF THE NORTH LINE OF SAID LOT 1 PRODUCED EAST TO THE EAST LINE OF THE WEST 20.0 FEET OF LOT 31 IN BLOCK 4 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID, AND ALL OF THE NORTH AND SOUTH 16.0 FOOT VACATED ALLEY LYING WEST OF AND ADJOINING THE EAST LINE OF THE WEST 20.0 FEET OF LOT 31 IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID, LYING EAST OF AND ADJOINING THE EAST LINE OF LOTS 1 TO 4, BOTH INCLUSIVE, LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF SAID LOT 1 IN THE RESUBDIVISION OF LOTS 26 TO 30, INCLUSIVE, AND THE WEST 20.0 FEET OF LOT 31 IN BLOCK 8 AFORESAID, AND LYING SOUTH OF AND ADJOINING THE NORTH LINE OF SAID LOT 1 IN SAID RESUBDIVISION OF LOTS 26 TO 30, INCLUSIVE, AND THE WEST 20.0 FEET OF LOT 31 IN BLOCK 8 IN KOCHERSPERGER & THOMPSON'S NORTH AVENUE SUBDIVISION AFORESAID, AND LYING NORTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 4 IN SAID RESUBDIVISION OF LOTS 26 TO 30, INCLUSIVE, AND THE WEST 20.0 FEET OF LOT 31 IN BLOCK 8 AFORESAID, PRODUCED EAST 15.0 FEET, IN COOK COUNTY, ILLINOIS

## EXHIBIT P

### JOB READINESS PROGRAM (JRP)

The JRP is a program developed by the City of Chicago that trains Chicago residents that live in the communities within and surrounding Tax Increment Financing (TIF) districts to be qualified, "job ready" candidates for entry level jobs in TIF districts. TIF district incremental tax revenues allocated for job training expenses are used to fund the JRP. The JRP is jointly managed by the Department of Planning and Development ("DPD") and the Mayor's Office of Workforce Development ("MOWD").

The JRP involves the participation of TIF district employers, DPD, MOWD, delegate agencies and third party service providers. The existing and future employers in TIF districts that participate are those that offer entry level employment positions. The delegate agencies and third party service providers that participate are those that provide direct services such as job readiness training or recruiting services. DPD and MOWD coordinate the participation of all parties.

The JRP is implemented through a process that involves the participating employer(s): (1) describing its business/industry, a "job ready" candidate for entry level jobs in its business, the type of candidate that it seeks to hire, and the type and number of entry level positions that it needs to fill both initially and on an on-going basis; (2) participating in the selection of a job readiness trainer through selection by the participating employer of an agency from a list proposed by the City (with the City maintaining final contracting authority), including proposing suitable agencies to be included on the City's list, with the City maintaining final approval authority over which agencies are on the list; (3) retaining the right to halt participation in the JRP due to the agency's failure to present candidates satisfying the employer(s)' hiring requirements, until the agency makes the changes necessary to meet the employer(s)' hiring requirements or a new agency is selected by the employer from the City's list; (4) developing a working relationship with the job readiness trainer and recruiting organization; (5) if the employer so desires, providing names of individuals to be enrolled in the JRP to DPD and MOWD, with such individuals to be assessed by DPD and/or MOWD and, if determined to qualify, to be enrolled in the JRP; (6) providing written feedback to DPD and MOWD when 33% of the expected number of initial open non-technical and non-managerial entry level positions are filled, when all the initial open non-technical and non-managerial entry level positions have been filled, and every six months thereafter (or more frequently as the employer desires) on the quality of JRP candidates interviewed by the employer in order to improve the JRP, which shall include information regarding the number of JRP candidates interviewed and the number of JRP candidates hired for entry level non-technical and non-managerial



positions; and (7) providing a six month report to DPD and MOWD on the employment status of hired JRP graduates.

DPD, MOWD and any delegate agency or third party service provider (and not the employer(s)) are responsible for recruiting Chicago residents that qualify to participate in the JRP. Chicago residents that live in communities within and surrounding the TIF district are then trained through the JRP to meet the employer's needs within that TIF district. Provided that the employer has been presented with JRP candidates during the interviewing timeframe defined by the employer, the employer then interviews and makes hiring decisions about those candidates first, before other "off-the-street" applicants (non-JRP candidates) are hired, for the initially available non-technical and non-managerial entry level positions; provided, however, that in the event that the employer is presented with a number of JRP candidates within the interviewing timeframe as provided above which is less than the agreed-upon number of the employer's initially available non-technical and non-managerial entry level positions, the employer may interview and make hiring decisions about a specified number of non-JRP candidates prior to making hiring decisions about such JRP candidates, with such specified number of non-JRP candidates not to exceed the difference between the number of JRP candidates presented to the employer as provided above and the number of the employer's initially available non-technical and non-managerial entry level positions. The participating employer(s) shall have the right to exercise its sole discretion in choosing or not choosing particular JRP candidates as it makes decisions on hiring and retention. It is anticipated that, under the JRP (as administered by the agency or entity selected as described above), all JRP graduates will receive at least two years of follow-up support services from the selected agency or entity as described above to enable them to maintain their employment and to assist them in securing advanced employment opportunities in the future and in developing a career plan.

## Exhibit Q

### Environmental Reports

1. Asbestos Survey of Three Buildings Located in the Vicinity of North Avenue & Cicero Avenue, Chicago, Illinois, submitted by GaiaTech Incorporated, Chicago, Illinois, October 27, 1997, Report No 2211-50.
2. Phase I Environmental Assessment: 5017 West North Avenue, 1501-45 North Lavergne, Chicago, Illinois, prepared by Environmental Science & Engineering, Inc, Chicago, Illinois, Project No 593-6186 5100, August 31, 1993.