

Contract Summary Sheet

Contract (PO) Number: 5426

Specification Number: 23587

Name of Contractor: PLITT/ICE LAWNSDALE, LLC

City Department: PLANNING & DEVELOPMENT

Title of Contract: Construction of movie theatre in the Roosevelt/Homan TIF District

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

\$2,335,611.00

PO Start Date: 4-14-97

PO End Date: 12-5-13

Brief Description of Work: Construction of movie theatre in the Roosevelt/Homan TIF District

Procurement Services Contact Person: BARBARA SUTTON

Vendor Number: 50071240

Submission Date:

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LIST OF EXHIBITS

- Exhibit A *Redevelopment Area
- Exhibit B *Developer Property
- Exhibit C *TIF-Funded Improvements
- Exhibit D *Redevelopment Plan
- Exhibit E Construction Contract
- Exhibit F Escrow Agreement
- Exhibit G *Permitted Liens
- Exhibit H *Project Budget
- Exhibit I Approved Prior Expenditures
- Exhibit J Opinion of Developer's Counsel
- Exhibit K *Preliminary TIF Projection -- Real Estate Taxes
- Exhibit L Requisition Form
- Exhibit M *City Property to be Conveyed
- Exhibit N *Form of Deed for City Property to be Conveyed to Developer
- Exhibit O *Form of Deed for City Property to be Conveyed by Developer
- Exhibit P *Lawndale Plaza Property
- Exhibit Q *Reconveyance Property
- Exhibit R *Related Transactions

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

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This agreement was prepared by and
after recording return to:
Paul Davis, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60602

ROOSEVELT-HOMAN PROJECT AREA REDEVELOPMENT AGREEMENT

This Roosevelt-Homan Project Area Redevelopment Agreement (this "Agreement") is made as of this 14th day of April, 1997, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Plitt/ICE Lawndale, L.L.C., a 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. (1992 State Bar Edition), as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects.

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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 December 5, 1990: (1) "Approval of Tax Increment Redevelopment Plan and Redevelopment Project for Roosevelt-Homan Redevelopment Area", which Redevelopment Plan and Project was amended by an ordinance adopted by the City Council on July 31, 1996; (2) "Designation of Roosevelt-Homan Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "Adoption of Tax Increment Allocation Financing for Roosevelt-Homan Redevelopment Project Area" (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Plitt (defined below) has purchased (the "Acquisition") certain property located within the Redevelopment Area at 3300 West Grenshaw Street, Chicago, Illinois 60624 and legally described on Exhibit B hereto (the "Developer Property"), the title to which has been taken by LaSalle National Bank, N.A., as trustee ("LaSalle"), with Plitt as the beneficiary. Plitt intends to cause LaSalle enter into a Ground Lease (the "Ground Lease") of the Property (defined below) to ICE (defined below) and ICE intends to enter into an Operating Sublease (the "Sublease") of the Property to Plitt. Plitt and ICE are the sole members of the Developer. The Developer shall commence and complete, or cause to be commenced or completed, within the time frames set forth in Section 3.01 hereof, construction of an approximately 40,000 square foot movie theater (the "Facility") on the Property. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Redevelopment Plan for the Roosevelt-Homan Commercial/Residential Redevelopment Project Area, as amended by an Amendment No. 1 (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Taxes (as defined below) to reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

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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.

"Applicable Base EAV" shall mean the equalized assessed valuation of the Increment Generating Property as determined pursuant to Section 4.08 hereof.

"Available Incremental Taxes" shall mean an amount equal to the positive difference, if any, of (a) the Incremental Taxes deposited in the Roosevelt-Homan TIF Fund attributable to the taxes levied on (i) the Property and (ii) the Lawndale Plaza Property (the property described in (i) and (ii) above referred to herein as the "Increment Generating Property"), over (b) the amount of the Incremental Taxes deposited in the Roosevelt-Homan TIF Fund attributable to the Applicable Base EAV.

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

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

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

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

"City Property" shall mean the property described in Section 5.16 hereof and legally described in Exhibit M hereto.

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

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

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

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

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

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

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

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), substantially in the form of Exhibit F attached hereto.

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

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

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appropriate periods.

"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.

"ICE" shall mean ICE Development L.L.C., an Illinois limited liability company and a member of the Developer.

"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 a special tax allocation fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lawndale Plaza Property" shall mean property within the Redevelopment Area legally described on Exhibit P hereto.

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

"LPLP" shall mean Lawndale Plaza Limited Partnership, an Illinois limited partnership.

"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.

"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.

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

"Plans and Specifications" shall mean construction documents

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containing an initial site plan and initial working drawings and specifications for the Project.

"Plitt" shall mean Plitt Theaters, Inc., a Delaware corporation and a member of the Developer.

"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.

"Property" shall mean the Developer Property and the City Property; provided, after the conveyance described in Section 8.05 occurs, this term shall not include the Reconveyance Property.

"Reconveyance Property" shall mean a portion of the City Property which is legally described on Exhibit Q attached hereto.

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

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

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

"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

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commencing on the Closing Date and ending on December 5, 2013, the date on 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 Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement.

"Title Company" shall mean Chicago Title Insurance Company.

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, and subject to Section 18.17 hereof, the Developer shall, pursuant to the Plans and Specifications: (i) commence construction no later than May 1, 1997; and (ii) complete construction and conduct business operations therein no later than March 31, 1998.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed 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 on the Closing Date 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

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Project in an amount not less than Ten Million Three Hundred Fifty-Three Thousand Dollars (\$10,353,000). The Developer hereby certifies to the City that (a) 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 pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be delivered by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Orders that would authorize or cause any of the following to occur must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the total square footage of the Facility, (b) the change of the proposed use of the Facility to a use other than a movie theater, or (c) a delay in the completion of the Project. The Developer shall not authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Available Incremental Taxes which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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, to the extent required, 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 monthly progress reports detailing

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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 if the same is required by any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project. The inspecting architect may be the same inspecting architect engaged by the lender providing any portion of the Lender Financing for the Project, provided that the cost of such inspecting architect's providing certifications to DPD shall be borne by the Developer.

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.

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SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$10,353,000, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$2,599,500
Lender Financing	<u>7,753,500</u>
ESTIMATED TOTAL	\$10,353,000

Developer shall have the right to re-allocate line items in the sources of funds between Equity and Lender Financing as aforesaid, provided that Developer shall, at all times, have sufficient funds to complete construction of the Project and to advance all Project costs in connection therewith. Lender Financing which does not require the further consent of the City shall be in an amount which does not exceed the amount set forth above and shall be consistent with the documents set forth on Exhibit G hereto. This Lender Financing may, in the discretion of the Developer, be refinanced by financing provided to the Developer by General Electric Capital Corporation, if the terms of such financing are consistent with the terms of such financing delivered to the City on the Closing Date.

4.02 Developer Funds. Equity and/or Lender Financing shall be used 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 be used to reimburse the Developer for costs of TIF-Funded Improvements only 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 reimbursed from City Funds for each line item therein, 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. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(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 reimburse the Developer for the costs of the TIF-Funded Improvements from Available Incremental Taxes deposited in the Roosevelt-Homan TIF Fund (the "City Funds"); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Three Million, Three Hundred Thirty-Five Thousand Six Hundred Eleven

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Dollars (\$3,335,611) or Thirty-Five Percent (35%) of the actual total Project costs; and provided further, that the City Funds shall be available to pay costs related to TIF-Funded Improvements only so long as:

(i) The amount of the Available Incremental Taxes deposited into the Roosevelt-Homan TIF Fund shall be sufficient to pay for such costs; and

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

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

The Developer acknowledges and agrees that the City's obligation to reimburse costs related to TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth in parts (i), (ii) and (iii) above. DPD shall retain the right to approve or reject, in its reasonable discretion, the designation of any cost in the Project Budget or in any Requisition Form as (i) a TIF-Funded Improvement or (ii) a part of the actual total Project costs; provided, that any determination by DPD shall be made in a manner consistent with the Project Budget and the Act.

4.04 Requisition Form. On or prior to each October 1 (or such other date as the parties may agree to), beginning in 1998 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per year (or as otherwise permitted by DPD). On each December 1 (or such other date as may be acceptable to the parties), beginning in 1998 and continuing throughout the Term of the Agreement, the Developer shall meet with DPD to discuss the Requisition Form previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements; City Fee.

(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 (except those set forth on Exhibit I hereto). Exhibit I hereto sets forth the prior expenditures approved by DPD as Prior

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

(b) City Fee. The City may allocate the sum of Sixty-Five Thousand Thirty-Four Dollars and Seventeen Cents (\$65,034.17) for payment of costs incurred by the City for the administration and monitoring of the Project. The Developer shall not be required to pay such fee, and such fee shall be disbursed from the Roosevelt-Homan TIF Fund prior to the disbursement of City Funds to reimburse the Developer hereunder for TIF-Funded Improvements.

(c) Allocation Among Line Items. Subject to Section 3.04 hereof, expenditures related to TIF-Funded Improvements may be reallocated between or among the line items of costs of TIF-Funded Improvements, and expenditures related to other Project costs may be reallocated between or among the line items of costs in the Project Budget, in each case without the prior written consent of DPD; provided, however, that any reallocation between or among line items for TIF-Funded Improvements and other Project costs without the consent of DPD is prohibited; provided, further, that the Developer shall give DPD notice of any reallocation of costs between or among line items for TIF-Funded Improvements or of costs in the Project Budget, and such notice shall be delivered to DPD concurrently with the progress reports described in Section 3.07 hereof.

4.05 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 Job Training. The City intends to establish a work readiness job training program in order to help prepare individuals to work for businesses located within the Redevelopment Area. The City and the Developer hereby agree that the City may, in its sole discretion, use Incremental Taxes (including Available Incremental Taxes) in the Roosevelt-Homan TIF Fund to fund such program; provided, that the amount of Available Incremental Taxes used by the City for such purpose may not exceed \$25,000 annually. The City and the Developer further agree that any such funds may be used by the City for such purpose prior to the disbursement of City Funds to the Developer in such year to reimburse the Developer hereunder for TIF-Funded Improvements. The parties hereby agree that, until the Developer has been fully reimbursed under this Agreement for the costs of TIF-Funded Improvements, at no time shall the amount of Available Incremental Taxes used by the City for such work readiness job training program exceed One Hundred

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Thousand Dollars (\$100,000).

4.08 Available Incremental Taxes. As soon as practicable as the information has become available to the City, the City shall deliver to the Developer a certificate stating the equalized assessed valuation of the Increment Generating Property as of March 1, 1996 (which shall be reflected on the tax bills for such property delivered on or about March 1, 1997) as determined pursuant to the Act. The Developer shall have ten (10) days from the delivery of such certificate to question, in writing, the equalized assessed valuation set forth therein, and failure by the Developer to respond within such time frame shall be deemed an approval of such certificate. If there is any dispute regarding the valuation set forth in such certificate, the parties shall consult with the Assessor's Office of Cook County to resolve such dispute.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. The Developer shall submit to DPD evidence of all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation which it has obtained as of the Closing Date.

5.04 Financing. The Developer shall have furnished proof reasonably acceptable to the City that the Developer (or its members) 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 be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Developer shall have furnished the most recent drafts of the Ground Lease and Sublease to the City, and the Ground Lease and Sublease shall be in a form acceptable to DPD and the Corporation Counsel.

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5.05 Acquisition and Title. On the Closing Date, the Developer shall furnish the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Plitt or LaSalle as the named insured (together with a certified copy of the land trust agreement if applicable showing Plitt as the beneficiary). 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 Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Developer Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the Developer's name 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 Developer Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

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

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

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

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

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

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

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

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 Developer 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 Developer Property prior to the Closing Date. The City reserves the right to terminate negotiations with respect to this Agreement if, in the City's view, such audits reveal the existence of material environmental problems. Prior to the Closing Date, the Developer shall provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

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

5.15 Litigation. The Developer shall 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.

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5.16 City Conveyance of City Property. The City shall convey to the Developer, for the amount of One Dollar (\$1.00) and in consideration of the Developer's execution and performance of this Agreement, title to the City Property by quitclaim deed, such deed to be substantially in the form attached hereto as Exhibit N. The conveyance and title shall, in addition to the provisions of this Agreement, be subject to (i) the standard objections in an ALTA insurance policy, (ii) taxes which are not yet due and owing, (iii) easements, encroachments, covenants and restrictions of record and not shown of record and (iv) such defects which cannot reasonably be cured but will not affect the use or marketability of the City Property. The Developer shall promptly file such Quitclaim Deed for recordation with the Office of the Cook County Recorder of Deeds. The Developer shall pay all costs of recording. The provisions of this Agreement shall not be merged with such Quitclaim Deed, and the delivery of such Quitclaim Deed shall not be deemed to affect or impair the provisions of this Agreement. The Developer may convey the City Property to Plitt or LaSalle, which may then include the City Property under the Ground Lease and ICE may in turn include the City Property under the Sublease.

5.17 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, the Developer shall submit to DPD a Requisition Form, together with documentation, in form and content satisfactory to DPD in its sole discretion, establishing (i) that all costs relating to the Project for which reimbursement is or will be requested are Redevelopment Project Costs and (ii) that the Developer has paid for all such costs. Delivery by the Developer to DPD of any request of disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

- (a) the total amount of the disbursement request represents the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;
- (b) all amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;
- (d) the representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;
- (e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against

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the Property except for the Permitted Liens; and

(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.

The Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances, 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, or as otherwise agreed to by DPD in writing, 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, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. 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 (as reasonably determined by the Developer) 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 (as reasonably determined by the Developer) for the TIF-Funded Improvements (other than a General Contractor otherwise approved by DPD), the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. 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 or otherwise obtain DPD's approval 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 bids from all subcontractors.

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5.02 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 be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), 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

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project 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. DPD shall respond to any such further written

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request by the Developer for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate.

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

Those covenants specifically described at Sections 8.01(d), 8.02, 8.06 and 8.19 as covenants that run with the land and the improvements thereon are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City shall have, but shall not be limited to, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto.

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:

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Articles of Incorporation or by-laws 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, Plitt or LaSalle shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property, and Plitt shall acquire and maintain 100% of the beneficial interest of any land trust which holds title to the Property, free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 9.15 hereof); provided, that, subject to Section 16(c) hereof, LaSalle and Plitt may transfer all or a portion of the Property (or any interest therein) only with the prior written consent of the City;

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

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

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project, and shall submit evidence thereof to DPD prior to the issuance of a Certificate by DPD;

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

(i) the Financial Statements are, and when hereafter required

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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) subject to Section 8.01 (d) hereof, 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 or non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof; 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;

(l) the members of the Developer are Plitt and ICE and, without the prior written consent of DPD (not to be unreasonably withheld), Plitt and ICE hereby agree not to transfer all or any portion of their respective membership interests in the Developer; provided, that Plitt further agrees not to purchase the membership interests of ICE in the Developer; provided, further, that the restrictions on any transfer of membership interests of the Developer described above shall apply to any holders of such interests; and

(m) Plitt and ICE hereby agree that, without the prior written consent of DPD, neither will (i) execute a Ground Lease or a Sublease which contains provisions relating to the compliance by Plitt or ICE with the obligations of the Developer under this Agreement (including Sections 4(a) and 4(b) of the Sublease) which have been revised from such provisions contained in the drafts of such documents which were approved by the City on the Closing Date pursuant to Section 5.4 hereof, and (ii) amend any terms of the Ground Lease or the Sublease which relate to the compliance by Plitt or ICE with the obligations of the Developer under this Agreement.

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

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

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

8.05 Developer Conveyance of City Property. The Developer shall convey to LPLP, at the request of LPLP and the City, for the amount of One Dollar (\$1.00), title to the Reconveyance Property by quitclaim deed, such deed to be substantially in the form attached hereto as Exhibit O. The conveyance and title shall be subject to such matters as the Developer shall deem reasonably necessary to protect, and otherwise have the Reconveyance Property be compatible with the Property.

8.06 Job Creation and Retention; Use of the Facility; Covenant to Remain in the City. Not less than five (5) full-time and forty-five (45) part-time permanent jobs shall be created by the Developer at the Facility within nine (9) months of the completion thereof, and such jobs shall be retained at the Facility through the Term of the Agreement. Unless otherwise agreed to by DPD, all theaters at the Facility shall show only high-quality motion pictures, at least 60% of which at all times shall be first-run movies, that are rated by the United States motion picture industry, and are similar in content to movies shown and rated within the Chicago metropolitan area. The Developer shall provide to DPD on an annual basis a list of the names of the movies shown at the Facility during the preceding calendar year. Upon seeking DPD's consent to a different use for the Facility other than as described above, the Developer shall provide a rationale for such change, and the consent of DPD shall not be unreasonably withheld. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago through December, 2013; provided, that if at any time any portion of the Facility is vacant, the Developer shall have one year from the date such vacancy level occurs to locate a tenant who will occupy and

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operate the Facility such that the entire Facility will be occupied and operated; provided, further, that only a tenant who (a) is occupying and operating the Facility pursuant to a lease which provides for a minimum lease term of one year and (b) is occupying and operating the Facility in accordance with the use requirements set forth above shall be considered in calculating whether the occupancy threshold is met. In the event that any portion of the Facility remains vacant or non-operational for over one year, then the City may suspend reimbursement of Available Incremental Taxes to the Developer hereunder beginning at the end of such one year period and until such time as the Facility is fully occupied and operating. The Developer shall notify the City in writing of the date on which any portion of the Facility is vacant, and such one year period shall begin to run on a date agreed to by DPD. The Developer hereby agrees that, without the prior written consent of DPD, the Facility shall not be subdivided or be used for any other use other than as described above. The City may also suspend reimbursement of City Funds if any of the following events occur: (i) the sale by Developer of the Property or a transfer of any interest of the Developer in the Property or the Facility (except as permitted pursuant to Section 8.01 (d) hereof); (ii) the destruction of the Facility such that the Facility can no longer be used as contemplated by this Agreement, if the Facility is not rebuilt by the Developer within a period of time, not to exceed the original construction period; or (iii) upon the condemnation of the Property or the Facility if, pursuant to such condemnation, the Property or the Facility is rendered unusable. The covenants set forth in this Section shall run with the land and the improvements thereon and be binding upon any transferee of the Developer.

8.07 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, on or before January 1 of each year (or as DPD may otherwise request), statements of its employment profile, including the number of jobs created and retained at the Facility.

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

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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, or except with respect to the transactions set forth on Exhibit R hereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any 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, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

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

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

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment.

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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:

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

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

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on

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the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. 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. This Agreement, upon recording, shall be an encumbrance only against the portion of the Property which does not include the Reconveyance Property.

8.19 Real Estate Provisions.

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

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

(A) 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

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Governmental Charge prior to final determination of such proceedings; and/or

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to 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) Real Estate Taxes.

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

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

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

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Project up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19 are covenants running with the land and the improvements thereon and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released upon the earlier of (A) December 5, 2013 or (B) when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

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

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including

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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.

8.20 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 Job Training. The Developer hereby agrees to use its best efforts to participate in any job training program established by the City pursuant to Section 4.07 hereof.

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

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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,

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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

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

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

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

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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 total Project Budget (less the acquisition price of the Property or any portion thereof, if any) shall be expended for contract participation by MBEs or WBEs:

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

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

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

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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. 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.

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SECTION 11. ENVIRONMENTAL MATTERS

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(a) 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.

(b) Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from all or any portion of the Property, or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

(c) The City makes no covenant, representation or warranty as to the environmental condition of the City Property or the suitability of the City Property for any purpose whatsoever, and the Developer agrees to accept the City Property "as is".

It shall be the responsibility of the Developer, at its sole cost and expense, to investigate and determine the soil and environmental condition of the City Property. Prior to the Closing, the Developer shall have the right to request a right of entry for the purpose of conducting environmental tests on the City Property. If such a request is made, the City shall grant the Developer a right of entry for such purpose. The granting of the right of entry, however, shall be contingent upon the Developer obtaining all necessary permits and the following types and amounts of insurance: a) commercial general liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured; b) automobile liability insurance with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage; and c) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to provide any work on the City Property. All insurance policies shall be from insurance companies authorized to do business in the State of Illinois, and shall remain in effect until completion of all activity on the City Property. The Developer

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shall deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the City Property. The Developer expressly understands and agrees that any coverage and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities set forth in this Agreement.

The Developer agrees to carefully inspect the City Property prior to the commencement of any activity on the City Property to make sure that such activity shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Developer shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the City Property. Prior to the conveyance of the City Property, the Developer's activities on the City Property shall be limited to those reasonably necessary to perform the environmental testing. The Developer shall keep the City Property free from any and all liens and encumbrances arising out of any environmental remediation work performed, materials supplied or obligations incurred by or for the Developer, and agrees to indemnify and hold the City harmless against any such liens.

The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the City Property.

If after the Closing, the environmental condition of the City Property is not in all respects entirely suitable for the use to which the City Property is to be utilized pursuant to the terms of this Agreement, it shall be the sole responsibility and obligation of the Developer to take such action as may be necessary to put the City Property in a condition entirely suitable for the intended use of the City Property. The Developer agrees to release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the City Property and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the City Property prior to the Closing.

SECTION 12. INSURANCE

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

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

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in accordance with the laws of the State of Illinois or any other applicable jurisdiction, covering all employees who are to provide a service under or in connection with this Agreement, and employer's liability coverage, with limits of not less than [\$100,000.00] for each accident or illness.

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

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

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in accordance with the laws of the State of Illinois or any other applicable jurisdiction, covering all employees who are to provide a service under or in connection with this Agreement and employer's liability coverage with limits of not

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less than [\$500,000.00] for each accident or illness.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than [\$5,000,000.00] per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion of construction of the Project) explosion, collapse, underground, independent contractors, cross liability, personal injury with no exclusion pertaining to employment and contractual obligations, and contractual liability (with no limitation endorsement). The City of Chicago, its employees, elected officials, agents and representatives are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(iii) Railroad Protective Liability Insurance

When, in connection with this Agreement, any work is to be done adjacent to or on property owned by a railroad or public transit entity, the Developer shall procure and maintain, or cause to be procured and maintained, with respect to the operations that the Developer, the General Contractor or any subcontractor shall perform, Railroad Protective Liability Insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than [\$2,000,000] per occurrence, combined single limit, 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. The parties acknowledge that no such work is being done on the Closing Date.

(iv) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, leased, borrowed or otherwise) are used by the Developer, the General Contractor or any subcontractor for work to be

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performed in connection with this Agreement, the Developer shall procure and maintain, or cause to be procured and maintained, Comprehensive Automobile Liability Insurance with limits of not less than [\$2,000,000.00] per occurrence combined single limit, for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(v) All Risk Builders Risk Insurance

When the Developer, the General Contractor or any subcontractor undertakes any construction, including improvements, betterments, and/or repairs, the Developer, the General Contractor or any such subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, flood including surface water backup, and collapse. The City of Chicago shall be named as loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or consultants of any kind perform work in connection with this Agreement, Professional Liability insurance covering acts, errors or omissions shall be maintained with limits of not less than [\$1,000,000.00]. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used in connection with 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-creation and reconstruction of such items.

(viii) Contractors' Pollution Liability Insurance

When any environmental remediation work is undertaken by the Developer, the General Contractor

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or any subcontractor in connection with this Agreement, Contractors' Pollution Liability Insurance shall be procured with limits of not less than [\$1,000,000] covering all construction and related work undertaken in connection with this Agreement. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis. The Developer, the General Contractor and any subcontractor shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transportation of Hazardous Materials.

(c) Other Provisions

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

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

--Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from DPD).

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

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

(iii) The Developer shall require the General Contractor and all subcontractors to carry the insurance required herein, or alternatively, the Developer may provide the coverage on behalf of the General Contractor or any subcontractor, and if so, the evidence of insurance submitted shall so stipulate.

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

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

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

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

If the Developer, the General Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own

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protection, such person or entity shall be responsible for the acquisition and cost of such additional protection.

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

SECTION 13. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (1) 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, or (v) any actions resulting from any action undertaken by the Developer on the City Property prior to or after the conveyance of the City Property to the Developer by the City.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

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

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

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

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

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proceedings;

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

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

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

(i) the dissolution of the Developer; or

(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 Section 15.01(i) hereof, a person with a material interest in the Developer shall be one owning in excess of thirty-three percent (33%) of the Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, in addition to all other rights and remedies contained in this Agreement, including those specifically set forth in Sections 7.03, 10.03(g) and 18.18, the City may terminate this Agreement and all related agreements, and, subject to the provisions of Section 8.06 hereof, 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

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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 is referred to herein as a "New Mortgage." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of

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

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

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

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

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If to the Developer: Plitt/ICE Lawndale, L.L.C.
c/o Plitt Theatres, Inc.
70 East Lake Street
Chicago, Illinois 60601
Attention: Patricia Burns

With Copies To: ICE Development, L.L.C.
39 South LaSalle Street, Suite 210
Chicago, Illinois 60603
Attention: Donzell Starks

With Copies To: Rudnick & Wolfe
203 North LaSalle Street
Chicago, Illinois 60601
Attention: Gregory W. Hummel, Esq.
David L. Reifman, Esq.

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

SECTION 18. MISCELLANEOUS

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

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

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

18.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary

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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, such ordinance(s) shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City or DPD, or any matter is to be to the City's or DPD's satisfaction, unless specifically stated to the

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contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DPD in writing and in its sole discretion.

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

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

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

18.18 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the 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 reimbursement obligations of the City set forth herein.

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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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.

PLITT/ICE LAWNDALE, L.L.C., an Illinois limited liability company

BY: PLITT THEATERS, INC., a Delaware corporation, a member

By: *Alfred Ben*

Its: *Vice President*

BY: ICE DEVELOPMENT, L.L.C., an Illinois limited liability company, a member

By: _____, a member

By: *Donnell Stark*

Its: *Manager*

CITY OF CHICAGO

By: _____

Commissioner, Department
of Planning and Development

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

PLITT/ICE LAWDALE, L.L.C., an Illinois limited liability company

BY: PLITT THEATERS, INC., a Delaware corporation, a member

By: _____

Its: _____

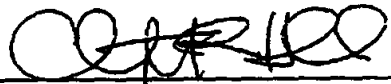
BY: ICE DEVELOPMENT, L.L.C., an Illinois limited liability company, a member

By: _____, a member

By: _____

Its: _____

CITY OF CHICAGO

By: 

Christopher R. Hill
Acting Commissioner, Department of Planning and Development

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The undersigned, on their own behalf, hereby execute this Redevelopment Agreement only with respect to Sections 8.01 (d), (l) and (m) hereof.

Dated: April 14, 1997

PLITT THEATERS, INC.,
a [Illinois] corporation

By: ^{Deputy} [Signature]

Its: Vice President

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

By: _____, a member

By: [Signature]

Its: Manager

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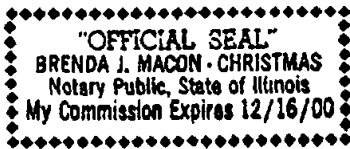
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Brenda J. Macon-Christmas, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Patrick Burns, Vice President of Plitt Theatres, Inc. and Donzell Starks, Member of Ice Development, L.L.C., personally known to me to be the Member of Plitt/ICE Lawndale, L.L.C., an Illinois limited liability company (the "Company"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Company, as their free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14th day of April, 1997.

Brenda J. Macon-Christmas
Notary Public

My Commission Expires 12/16/00



(SEAL)

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Carol A. Shipley, 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 Acting Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14th day of April, 1997.

Carol A. Shipley
Notary Public

My Commission Expires 10/22/97



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Exhibit A

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LEGAL DESCRIPTION

A tract of land in the East half and the West half of the Southeast quarter of Section 14 and the West half of the Southwest quarter of Section 13, all in Township 39 North, Range 13 East of the Third Principle Meridian, described as follows: Beginning at the Southwest corner of said West half of the Southeast quarter of Section 14; thence North 696.5 feet along the West line of said Southeast quarter to the North line of Fillmore Street as dedicated; thence East 2560 feet along the North line of Fillmore Street to the West line of Kedzie Avenue; thence North 138.96 feet to the South right-of-way line of the B. & O.C.T. Railroad also being the North line of the East-West alley in Block 6 of the Subdivision of Block 6 of Pipers Subdivision; thence East 690 feet along the South right-of-way line of the B. & O.C.T. Railroad to the centerline of Albany Avenue in said Pipers Subdivision; thence South along last said centerline to the centerline of Roosevelt Road, being the South line of Section 13; thence West along last said centerline, being the South line of Section 13 and the South line of Section 14, to the place of beginning, all in the City of Chicago, Cook County, Illinois.

EXHIBIT C

TIF Funded Improvements

Tif Funded Improvements

Acquisition Costs	\$ 1,300,000
Site Preparation/Improvement	\$ 400,000
Landscaping/Perimeter Improvements	\$ 480,000
Interest Expense	\$ 1,155,611
	<u>\$ 3,335,611</u>

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EXHIBIT C

TIF Funded Improvements

Tif Funded Improvements

Acquisition Costs	\$ 1,300,000
Site Preparation/Improvement	\$ 400,000
Landscaping/Perimeter Improvements	\$ 480,000
Interest Expense	<u>\$ 1,155,611</u>
	\$ 3,335,611

TIF Landdale RDA

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Exhibit D

CITY OF CHICAGO

ROOSEVELT-HOMAN
COMMERCIAL/RESIDENTIAL REDEVELOPMENT AREA
TAX INCREMENT FINANCE PROGRAM

REDEVELOPMENT PLAN

July, 1990

Amended by City Council
July 31, 1996

Richard M. Daley
Mayor

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REDEVELOPMENT PLAN FOR
ROOSEVELT-HOMAN COMMERCIAL/RESIDENTIAL REDEVELOPMENT AREA
TAX INCREMENT FINANCING PROGRAM

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EXECUTIVE SUMMARY

GOALS AND OBJECTIVES

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the North Lawndale community area.
- * Provide for residential rehabilitation and new development which will offer a diversity of new housing accommodations in a variety of structure types.
- * Provide new housing for low and moderate income persons.
- * Provide for the consolidation of strip commercial into a neighborhood shopping cluster which will be conveniently located to adequately serve all residents of the area.
- * Provide for the vacation of unnecessary streets and alleys and development of a street system which will adequately serve the area.
- * Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping, residential and recreation.
- * Remove impediments to land disposition and development through acquisition and/or assembly of vacant land into reasonably sized and shaped parcels.
- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the North Lawndale community area.
- * Create job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of the Eligibility Study, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and residential new construction and rehabilitation.

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- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.
- * Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- * Provide needed incentives to encourage a broad range of improvements for both new development and rehabilitation efforts.
- * Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible grouping to increase efficiency of operation and economic relationships.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and capacity in the project area.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Incorporate the 1970 Urban Renewal techniques to achieve plan objectives.

Based upon surveys, inspections, and analysis of the area by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, ten are present in the area.
- * The blighting factors are reasonably distributed throughout the Study Area.
- * All blocks within the Study Area show the presence of blighting factors.

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REDEVELOPMENT PLAN

The proposed Roosevelt-Homan Commercial/Residential Redevelopment Project Area for the purposes of planning and programming of improvements have been divided into two components. These components are a commercial development and residential redevelopment and rehabilitation.

COMMERCIAL DEVELOPMENT

The commercial component of this plan encompasses an area bounded by S. Kedzie Ave on the east, W. Homan Ave. on the west, S. Roosevelt Rd. on the south, and W. Fillmore Ave. on the north (see Map 3 Redevelopment Plan). The commercial redevelopment will require the City and a developer to enter into a redevelopment agreement upon approval by the City Council of Chicago. The redevelopment agreement will generally provide for the City to provide funding for necessary infra-structure and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The developer will undertake the responsibility for the required infra-structure and site improvements, and will further be required to build a retail shopping center containing approximately 130,000 square feet on approximately a 15.5 acre site and the necessary support facilities such as parking and landscaping.

The commercial portion of the project defined in this component of the Plan will be completed within 24 months of the signing of a redevelopment agreement. This commercial component is expected to generate tax increments in excess of its needs for development. Those additional dollars not needed for the commercial portion of the project along with the new taxes generated from the residential development will provide a basis for the residential component of the Plan.

RESIDENTIAL REDEVELOPMENT/REHABILITATION

The residential component of this plan encompasses the residential areas of the Project Area as defined by the proposed land use (See Map 3). This residential component of the Redevelopment Plan will be administered and coordinated by the City of Chicago Department of Housing. The residential program is part of a long term program to improve the housing

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conditions in the Lawndale Area. The residential component of the Redevelopment Plan includes the following four programs: (1) Neighborhood home improvement program; (2) Low-income housing tax reactivation program; (3) In-fill housing Program; and (4) Site improvement program.

Neighborhood Home Improvement Program

This program provides low-interest fixed rate loans to owners of one to four unit properties, for all types of home improvements. The Department of Housing will commit to doing a minimum of 60 houses within 20 years. The maximum that can be borrowed is \$25,000 per property.

Low Income Tax Reactivation Program

This program will return tax-delinquent properties to the tax rolls and develop low income housing by providing not-for-profit and for-profit developers the opportunity to acquire tax delinquent multi-unit (7 or more) properties through the no-cash bid procedure of the Cook County Scavenger Sale. The Department of Housing will commit to doing a minimum of 8 to 10 buildings over a 10 year period.

In-Fill Housing Program

This program is intended to help revitalize the Redevelopment Area by reducing blight of under-utilized, long vacant lots, replacing them with new homes and landscaped yards. The Department of Housing will put together a special demonstration project for the Redevelopment Project Area.

The projected goals of the In-Fill Housing program are:

- (1) To build 40 to 50 single family homes in the Redevelopment Area over a 10 to 15 year period. It is expected that these homes will sell for between \$55,000 and \$85,000 as adjusted for inflation over the time period.
- (2) To build 50 to 60 multi family rental units in the Redevelopment Area over a 10 to 15 year period.

Perimeter Site Improvements Program

The purpose of the Site Improvement Program is to provide improvements to the public rights-of-way which surround and support the redevelopment project.

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On site developments undertaken by the Department of Housing may include but not be limited to the construction or reconstruction of curbs, gutters, sidewalks, streets and alleys; the installation of landscaping to public parkways and plazas; and the installation or reconstruction of public and private utilities.

The Department of Housing will provide site improvements not to exceed \$500.00 per dwelling unit for each of the housing development programs.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations may be issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs).

**TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS**

Program Action/Improvements

Commercial Area	
Infrastructure Improvements	\$ 700,000
Site Improvements	800,000
Planning, legal, studies, etc.	200,000
Contingencies	150,000
Residential Area	
Infrastructure Improvements	100,000
Financing assistance - interest rate subsidy	200,000
Acquisition	100,000
Planning, legal, studies, etc.	100,000
Contingencies	50,000
Total Costs*	\$ 2,500,000

*Exclusive of capitalized interest, issuance costs and other financing costs

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

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

Issuance of Obligations

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF Redevelopment Project Area.

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

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

The total 1988 equalized assessed valuation for the entire Redevelopment Project Area is \$3,618,369. This equalized assessed valuation is subject to final verification by Cook County.

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After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 2001, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$8,500,000 and \$11,000,000. By the year 1994, when the primary phase of the commercial and the initial residential development is complete, the equalized assessed value of real property within the Redevelopment Project Area is estimated at between \$6,000,000 and \$8,000,000. These estimates are based on several key assumptions, including: 1) primary phase of the commercial development will be completed in 1992; 2) residential and secondary commercial development projects will occur in a timely manner; 3) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 4) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged; and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

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INTRODUCTION

The North Lawndale area since the early 1960's has been a much studied community area within the City of Chicago. Dating back to the first steps taken in 1958 by the Community Conservation Board when it designated the Lawndale Community a "Conservation Area". This first planning step to curtail and eliminate blighting from occurring was followed by a study of the area by the Department of Urban Renewal in 1964, which produced the Lawndale Conservation Plan of 1968. The Lawndale Conservation Plan was revised in 1970 with specific objectives, development methodologies and techniques. Numerous amendments have been approved for specific projects within the boundaries of Lawndale.

Although many social programs were established and some physical improvements were carried out in the Lawndale Area by both the public and private sectors, both population and jobs in the area continued to decline. This decline was evident in the erosion of commercial activities as well as industrial employers.

Positive progress has been made in some areas of Lawndale as a result of the City's and citizens efforts and along with local neighborhood groups. However, many of the plans for the Lawndale Community have not been implemented as a result of the necessary dollars needed to induce redevelopment.

The Roosevelt-Homan Commercial/Residential Redevelopment Project Area is approximately a 54.09 acre section of the North Lawndale Community Area. The area is bounded by Roosevelt Road on the south, South Central Park Avenue on the west, West Fillmore Avenue on the north (between S. Central Park Avenue and South Kedzie Avenue) and the B & O.C.T. Rail Road tracks (between South Kedzie Avenue and South Albany Avenue) on the north, and South Albany Avenue on the east. Within this Redevelopment Project Area 43% of the parcels of property are vacant.

The purpose of the Roosevelt-Homan Commercial/Residential Redevelopment Project Area Plan is to create a mechanism for the development of a shopping center and rehabilitation and construction of new housing.

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With the loss of shopping in the Lawndale Community and the advent of regional, community and strip shopping centers, individual consumer shopping patterns have changed. The proposed approximately 130,000 square foot shopping center along with newer residential development located south of the Redevelopment Project Area and in a small portion of the eastern part of the Redevelopment Project Area will help to create an economic synergy within the community area.

The Mid-West Development Area Planning Report, which covers the North Lawndale area was prepared by the Department of Planning in 1967. This report stated that "Long stretches of the major streets in the Mid-West Area are lined with deteriorating and often vacant commercial buildings. Eventually, these commercial strips should be consolidated into attractive business centers of modern design at major street intersections. This should be done in conjunction with other community improvement programs...". This Plan further states that "It is probable that a new regional business center should be developed in the area, since it is highly accessible by excellent transportation lines."

One of the primary goals of the Mid-West Area report is, "To stimulate new investment in the area in order to make it more attractive to families. This would be done by assuring adequate resources for residential rehabilitation and by helping to make available land at suitable locations for new housing and for commercial, industrial and institutional development."

The second part of the Roosevelt-Homan Commercial/Residential Plan is to promote the rehabilitation of single family housing, infrastructure and site preparation, in-fill housing, and tax reactivation. The objective of the housing component is the creation of a coordinated block-by-block strategy in a small targeted area. This strategy would increase housing stock in North Lawndale through rehabilitation, and in-fill. The proposed Roosevelt-Homan area is small enough in size that by placing maximum concentration on it, the greatest impact will occur and the return will be large for the investment of public funding.

To assist in the development of a new commercial center and new residential housing in the Roosevelt-Homan Commercial/Residential Area, various agencies will have to join together, including the City of Chicago Departments' of Economic Development, Housing and Planning,

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along with the private sector. While the commercial center will be developed by the private sector with public assistance, much of the remaining vacant land which can and should be put to productive use for residential housing also needs investment of public funds in order to achieve such productive development.

Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24 Section 11-74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Roosevelt-Homan Commercial/Residential Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

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This Redevelopment Plan will also specifically describe the Roosevelt-Homan Commercial/Residential Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area – an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project Area as provided in accordance with the Act. The Redevelopment Project Area would not reasonably developed without the use of such incremental revenues.

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REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Roosevelt-Homan Commercial/Residential Redevelopment Project Area is located on the west side of the City of Chicago and is generally described as Beginning at the southeast corner of West Roosevelt Road and South Central Park Avenue, then proceeding east on West Roosevelt road to South Albany Avenue, then proceeding north to the B. & O.C.T. rail road tracks, then west to South Kedzie Avenue, then south on South Kedzie Avenue to West Fillmore Avenue, then West on West Fillmore Avenue to South Central Park , then south to the beginning point.

The legal description of the Roosevelt-Homan Commercial/Residential Redevelopment Area is as follows:

A tract of land in the East half and the West half of the Southeast quarter of Section 14 and the West half of the Southwest quarter of Section 13, all in Township 39 North, Range 13 East of the Third Principle Meridian, described as follows: Beginning at the Southwest corner of said West half of the Southeast quarter of Section 14; thence North 696.5 feet along the West line of said Southeast quarter to the North line of Fillmore Street as dedicated; thence East 2560 feet along the North line of Fillmore Street to the West line of Kedzie Avenue; thence North 138.96 feet to the South right-of-way line of the B. & O.C.T. Railroad also being the North line of the East-West alley in Block 6 of the Subdivision of Block 6 of Pipers Subdivision; thence East 690 feet along the South right-of-way line of the B & O.C.T. Railroad to the centerline of Albany Avenue in said Pipers Subdivision; thence South along last said centerline to the centerline of Roosevelt Road, being the South line of Section 13; thence West along last said centerline, being the South line of Section 13 and the South line of Section 14, to the place of beginning, all in the City of Chicago, Cook County, Illinois.

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REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Investment in new development and reinvestment in existing structures and facilities are essential in the Roosevelt-Homan Commercial/Residential Redevelopment Project Area. Redevelopment and conservation efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals:

- * Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- * Provide sound economic development in the Redevelopment Project Area.
- * Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the North Lawndale community area.
- * Provide for residential rehabilitation and new development which will offer a diversity of new housing accommodations in a variety of structure types.
- * Provide new housing for low and moderate income persons.
- * Provide for the consolidation of strip commercial into a neighborhood shopping cluster which will be conveniently located to adequately serve all residents of the area.
- * Provide for the vacation of unnecessary streets and alleys and development of a street system which will adequately serve the area.
- * Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping, residential and recreation.
- * Remove impediments to land disposition and development through acquisition and/or assembly of vacant land into reasonably sized and shaped parcels.

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- * Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the North Lawndale community area.
- * Create job opportunities.

Redevelopment Objectives:

- * Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of the Eligibility Study, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- * Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in commercial and residential new construction and rehabilitation.
- * Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- * Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for redevelopment needs and standards.
- * Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- * Provide needed incentives to encourage a broad range of improvements for both new development and rehabilitation efforts.
- * Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area.

Development and Design Objectives

- * Establish a pattern of land use activities arranged in compact, compatible grouping to increase efficiency of operation and economic relationships.
- * Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- * Ensure safe and adequate circulation patterns and capacity in the project area.
- * Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- * Incorporate the 1970 Urban Renewal techniques to achieve plan objectives.

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Property Rehabilitation Standards (1970 Urban Renewal Plan)

All property in the area shall comply with the standards set forth in all applicable statues, codes and ordinances, as amended from time to time, relating to the use, maintenance, facilities, and occupancy of the existing property. These laws, codes, ordinances, and regulations are as follows:

- (a.) Municipal Building Code
- (b.) Housing Code
- (c.) Plumbing Code
- (d.) Electrical Code
- (e.) Chicago Zoning Ordinance
- (f.) Chicago Air Pollution Code

The standards of these codes and ordinances are hereby incorporated by reference and made a part of these Property Rehabilitation Standards.

In addition to the standards set forth above, it shall be the goal of that structures in the area will be rehabilitated in such a way to enhance the character and identity of renewal area and provide improved housing of highest quality possible for families. To achieve this goal, property owners will be encouraged to meet the following objectives:

- Exterior: Improvements to be made to the exterior so as to assure that the general character and appearance of the area will reflect sound development and create an environment which will be compatible with and stimulate private investment in the proposed new development within the project area.
- Facade Treatment: Aesthetic quality is recognized as an integral part of neighborhood improvement and is encouraged as part of rehabilitation activities. The choice of colors, textures, and materials must be related to the surrounding environment by expressing either the continuity of an existing character or, as may be desired in some situations, a sensitive contrast.
- Site Layout: In treatment of building additions and secondary structures, care should be given to the development of the site so that the scale of each building and its relationship to its surroundings reflects a sensitivity to the community.
- Landscape: The space around buildings is as important as the buildings themselves. Landscaping, walls, fences, etc., should be used to relate buildings to one another, emphasize important architectural features, confine spaces, and to screen service areas from view.

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Sign Control:

Where buildings contain commercial space, consideration should also be given to all aspects of graphic design. The various forms of lettering in a development have the important function of identifying and clarifying aspects of the development as well as contributing to its character. Signs should not be allowed to dominate the buildings they serve or to create a jarring affect on the surrounding neighborhood.

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BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based upon surveys, inspections, and analysis of the area by Louik/Schneider & Associates, Inc. the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The area is characterized by the presence of a combination of five or more blighting factors as listed in the Act, rendering the area detrimental to the public safety, health and welfare of the citizens of this area of the City. Specifically:

- * Of the fourteen factors set forth in the law, ten are present in the area.
- * The blighting factors which are present are reasonably distributed throughout the Study Area.
- * All areas within the Study Area show the presence of blighting factors.

A separate report entitled "Roosevelt-Homan Commercial/Residential Tax Increment Financing District Eligibility Report", dated July, 1990 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. Summarized below are the findings of the Eligibility Report:

1. **Age**

Age as a factor is present to a major extent in five of the eleven blocks and to a limited extent in two blocks. Of the 122 total buildings in the Redevelopment Area, 112 (92%) are 35 years of age or older.

2. **Dilapidation**

Dilapidation is present to a major extent in four of the eleven blocks and to a minor extent in two other blocks. Of the 122 building in the Redevelopment Area, 34 (28%) are dilapidated.

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3. **Obsolescence**

Obsolescence as a factor is present in eight of the eleven blocks. Conditions contributing to this factor include obsolete buildings and obsolete plating.

4. **Deterioration**

Deterioration as a factor is present to a major extent in six of the eleven blocks and to a minor extent in two other blocks. Of the 122 buildings in the Study Area 57 (47%) exhibit deterioration. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating street pavement, curbs, gutters and sidewalks.

5. **Illegal use of individual structures**

There were no structures which were illegal uses as defined by municipal ordinance.

6. **Structures Below Minimum Code Standards**

Structures below the city's minimum code standards for existing buildings as a factor is present in six of the eleven blocks. Of the 122 buildings in the Study Area, 26 (21%) appeared to exhibit this factor.

7. **Excessive Vacancies**

Excessive vacancies as a factor is present to a major extent in all of the eleven blocks. Of the 122 buildings in the Study Area 14 are vacant and over 43% percent of the land area is vacant.

8. **Overcrowding of structures and community facilities**

There were no blocks in the Study Area which contained evidence of overcrowding of structures.

9. **Lack of Ventilation, Light or Sanitary Facilities**

Five of the eleven blocks exhibit to a minor extent factors contributing to the lack of light, ventilation and or sanitary facilities within the structures.

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10. **Inadequate Utilities**

Inadequate utilities are present to a minor extent in the Study Area.

11. **Excessive land coverage**

Four of the eleven blocks in the Study Area exhibit excessive land coverage. This is particularly true with large commercial and multi-tenant residential buildings located on major arterial streets within the Study Area.

12. **Deleterious Land-Use or Layout**

Deleterious land-use or layout is present in seven of the eleven blocks. Conditions contributing to this factor includes such findings as illegal uses, combined industrial and residential parcels, and outside storage areas. Large tracts of vacant and under-utilized land, vacant and dilapidated structures and sub-standard streets limited access to most of the Study Area.

13. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent in five blocks and to a minor extent in one additional block of the eleven blocks in the Study Area. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements.

14. **Lack of Community Planning**

While there can be numerous public and private plans for the Study Area as well much of the surrounding area, little implementation of these plans has occurred. A large portions of the Study Area has no specific plans for redevelopment, rehabilitation or in-fill for existing residential areas.

The analysis above is based upon data assembled by the City of Chicago, Department of Economic Development, the City of Chicago, Department of Housing and Louik/Schneider & Associates, Inc. The surveys and analysis conducted include:

1. Exterior surveys of the condition and use of each building;

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2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses;
6. Analysis of original and current platting and building size layout;
7. Analysis of building floor area and site coverage.
8. Review of previously prepared plans, studies and data.

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ROOSEVELT-HOMAN COMMERCIAL/RESIDENTIAL REDEVELOPMENT PROJECT

A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. Assemblage of Sites. To achieve the revitalization of the Redevelopment Project Area, property identified in Map 3, Development Activities, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the revitalization objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way will also be necessary for the portions of said rights-of-way that the City does not own (see Map 3).

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. Provision for Public Improvements and Facilities. Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
 - a. Improvements to and/or removal of public rights-of-way necessary for development.
 - b. Provision of utilities necessary to serve the redevelopment.
 - c. Construction of new traffic signalization.
3. Provision for Site Improvements. Funds may be made available for improvements to properties for the purpose of making land suitable for development.
4. Provision for Interest Subsidy. Funds may be made available to privately held properties for the purpose of reducing interest costs for the purpose of redeveloping properties.
5. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease,

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conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

B. REDEVELOPMENT PLAN

The proposed Roosevelt-Homan Commercial/Residential Redevelopment Project Area for the purposes of planning and programming of improvements have been divided into two components. These components are commercial development and residential redevelopment and rehabilitation.

COMMERCIAL DEVELOPMENT

The primary commercial component of this plan encompasses an area bounded by S. Kedzie Ave on the east, W. Homan Ave. on the west, S. Roosevelt Rd. on the south, and W. Fillmore Ave. on the north (see Map 3, Redevelopment Plan). The commercial redevelopment will require the City and a developer to enter into a redevelopment agreement upon approval by the City Council of Chicago. The redevelopment agreement will generally provide for the City to provide funding for necessary infra-structure and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. The developer will undertake the responsibility for the required infra-structure and site improvements, and will further be required to build a retail shopping center containing approximately 130,000 square feet on approximately a 15.5 acre site and the necessary support facilities such as parking and landscaping.

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In addition, there may also be a planned in-fill mixed-use development along the North side of Roosevelt Road. The City may determine that assistance be provided for acquisition, site improvements or financing of this residential/commercial development.

The primary phase of the commercial development contemplated by this Plan will be completed within 24 months of the signing of a redevelopment agreement. The primary commercial component is expected to generate tax increments in excess of its needs for development. These additional dollars along with new taxes generated from the residential development will provide a basis for the residential component of the Plan as well as the secondary phase commercial development.

RESIDENTIAL REDEVELOPMENT/REHABILITATION

The residential component of this plan encompasses the residential areas of the Project Area as defined by the proposed land use (See Map 3). This residential component of the Redevelopment Plan will be administered and coordinated by the City of Chicago Department of Housing. The residential program is part of a long term program to improve the housing conditions in the Lawndale Area. The residential component of the Redevelopment Plan includes the following four programs: (1) Neighborhood home improvement program; (2) Low-income housing tax reactivation program; (3) In-fill housing Program; and (4) Site improvement program.

Neighborhood Home Improvement Program

This program provides low-interest fixed rate loan to owners of one to four unit properties, for all types of home improvements. The Department of Housing will commit to doing a minimum of 60 houses within 20 years. The maximum that can be borrowed is \$25,000 per property.

Low Income Tax Reactivation Program

This program will return tax-delinquent properties to the tax rolls and develop low-income housing by providing not-for-profit and for-profit developers the opportunity to acquire tax delinquent multi-unit (7 or more) properties through the no-cash bid procedure of the Cook

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County Scavenger Sale. The Department of Housing will commit to doing a minimum of 8 to 10 buildings over a 10 year period.

In-Fill Housing Program

This program is intended too help revitalize the Redevelopment Area by reducing blight of under-utilized, long vacant lots, replacing them with new homes and landscaped yards. The Department of Housing will put together a special demonstration project for the Redevelopment Area.

The projected goals of the In-Fill Housing program are:

- (1) To build 40 to 50 single family homes in the Redevelopment Area over a 10 to 15 year period. It is expected that these home will sell for between \$55,000 and \$85,000 as adjusted for infiation over the time period.
- (2) To build 50 to 60 multi family rental units in the Redevelopment Area over a 10 to 15 year period.

Perimeter Site Improvements Program

The purpose of the Site Improvement Program is to provide improvements to the public rights-of-way which surround and support the redevelopment project.

On site developments undertaken by the Department of Housing may include but not be limited to the construction or reconstruction of curbs, gutters, sidewalks, streets and alleys; the installation of landscaping to public parkways and plazas; and the installation or reconstruction of public and private utilities.

The Department of Housing will provide site improvements not to exceed \$500.00 per dwelling unit for each of the housing development programs.

The residential component of the plan will be completed within 20 years after the Plan is adopted.

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C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966) and the companion Midwest Development Area Report. Also this plan is in conformity with the goals and objectives of the City of Chicago, Department of Urban Renewals' REVISED LAWNSDALE CONSERVATION PLAN of 1970.

The Redevelopment Plan also conforms with the Mid West Development Area Report in that it provides for the development of attractive business centers of modern design at major street intersections and it is in conjunction with other community improvement programs. Furthermore, the Plan intends to stimulate new investments in the area in order to make it more attractive to families. This would be done by assuring adequate resources for residential rehabilitation and by helping to make land available at suitable locations for new housing and for commercial, industrial and institutional development.

The retail shopping facilities in the North Lawndale Area follow the general city wide pattern of commercial frontage along major arterial streets. This pattern no longer meets the needs of most consumers. An objective of this plan is to provide resources necessary for the development of a new commercial center which is located on a concentrate site with ample parking, easy ingress and egress. The development of this type of shopping center will also provide increased employment opportunities and strengthen the tax base of the City.

The rehabilitation of deteriorated single family housing, infrastructure and site preparation necessary to encourage residential development and in-fill housing development on vacant land are the key elements of the City of Chicago Department of Housing's plan for residential redevelopment. This strategy and its objectives conform to the past and proposed land use plans for this area of Chicago.

The proposed Land Use Plan (See Map 2) incorporates the proposed objectives, goals and proposed development for the Roosevelt-Homan Commercial/Residential Redevelopment Project Area.

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D. ESTIMATED REDEVELOPMENT PROJECT COSTS

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

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of any buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
7. Payment in lieu of taxes;
8. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be

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provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 10- 22.20a and 10-23.3a of the School Code;

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

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

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E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

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

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

Issuance of Obligations

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

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more

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series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

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

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

The total 1988 equalized assessed valuation for the entire Redevelopment Project Area is \$3,618,369. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

Anticipated Equalized Assessed Valuation

By the year 2001, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$ 8,500,000 and \$ 11,000,000. By the year 1994, when the primary phase of the commercial and the initial residential development is complete, the equalized assessed value of real property within the Redevelopment Project Area is estimated at between \$ 6,000,000 and \$ 8,000,000. These estimates are based on several key assumptions, including: 1) primary phase of the commercial development will be completed in

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1992; 2) residential and secondary phase of the commercial development will occur in a timely manner; 3) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan, 4) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

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PHASING AND SCHEDULING OF REDEVELOPMENT PLAN

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

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

The public and private improvements to be undertaken in the Redevelopment Project Area are anticipated to be completed in the tenth year. Table 1, the Estimated Redevelopment Project Costs (See page 43), illustrates the public improvements to be undertaken as part of the Redevelopment Project.

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PROVISION FOR AMENDING ACTION PLAN

This Roosevelt-Homan Commercial/Residential Redevelopment Project Area Tax Increment
Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

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AFFIRMATIVE ACTION PLAN

The City is committed to and will affirmatively implement the following principles with respect to the Roosevelt-Homan Commercial/Residential Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Plan and Project, the City shall require that all parties contracting with the City on the Project meet City goals for Minority Business Enterprises, Women's Business Enterprises, Affirmative Action and First Source Hiring.

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LEGAL DESCRIPTION

A tract of land in the East half and the West half of the Southeast quarter of Section 14 and the West half of the Southwest quarter of Section 13, all in Township 39 North, Range 13 East of the Third Principle Meridian, described as follows: Beginning at the Southwest corner of said West half of the Southeast quarter of Section 14; thence North 696.5 feet along the West line of said Southeast quarter to the North line of Fillmore Street as dedicated; thence East 2560 feet along the North line of Fillmore Street to the West line of Kedzie Avenue; thence North 138.96 feet to the South right-of-way line of the B. & O.C.T. Railroad also being the North line of the East-West alley in Block 6 of the Subdivision of Block 6 of Pipers Subdivision; thence East 690 feet along the South right-of-way line of the B. & O.C.T. Railroad to the centerline of Albany Avenue in said Pipers Subdivision; thence South along last said centerline to the centerline of Roosevelt Road, being the South line of Section 13; thence West along last said centerline, being the South line of Section 13 and the South line of Section 14, to the place of beginning, all in the City of Chicago, Cook County, Illinois.

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TABLES

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvements

Commercial Area

Infrastructure Improvements	\$ 700,000
Site Improvements	800,000
Planning, legal, studies, etc.	200,000
Contingencies	150,000

Residential Area

Infrastructure Improvements	100,000
Financing assistance - interest rate subsidy	200,000
Acquisition	100,000
Planning, legal, studies, etc.	100,000
Contingencies	50,000

Total Costs* \$ 2,500,000

*Exclusive of capitalized interest, issuance costs and other financing costs

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TABLE 2

1988 EQUALIZED ASSESSED VALUATION

PERMANENT INDEX NO.	1988 EAV
16-13-320-002	9,147
16-13-320-003	1,017
16-13-320-004	1,017
16-13-320-005	1,017
16-13-320-006	1,017
16-13-320-007	EX
16-13-320-008	EX
16-13-320-009	2,874
16-13-320-010	1,994
16-13-320-011	8,171
16-13-320-012	17,713
16-13-320-013	10,612
16-13-320-014	1,017
16-13-320-015	1,017
16-13-320-016	EX
	1,025
16-13-324-001	64,460
16-13-324-002	18,181
16-13-324-003	42,221
16-13-324-004	12,209
16-13-324-005	1,077
16-13-324-006	1,077
16-13-324-007	EX
16-13-324-008	1,077
16-13-324-009	1,077
16-13-324-010	EX
16-13-324-011	1,077
16-13-324-012	1,422
16-13-324-013	34,211
16-13-324-014	17,472
16-13-324-015	9,560
16-13-324-016	9,560
16-13-324-017	9,560
16-13-324-018	9,560
16-13-324-019	29,860
16-13-324-020	8,677
16-13-324-021	1,077
16-13-324-022	1,077
16-13-324-023	EX
16-13-324-024	1,077
16-13-324-025	1,077
16-13-324-026	1,077
16-13-324-027	1,077
16-13-324-028	1,077
16-13-324-030	1,077
16-13-324-031	184,351
16-13-324-032	177,619
16-13-324-033	177,619
16-13-324-034	278,097
16-13-324-035	181,665
16-13-324-036	9,211
16-13-324-037	1,056
	2,454
16-13-325-002	3,963
16-13-325-003	6,864
16-13-325-004	6,209
16-13-325-005	5,772

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PERMANENT INDEX NO.

1988 EAV

16-13-325-006		10,756
16-13-325-007		2,828
16-13-325-008		4,685
16-13-325-009		2,056
16-13-325-010		10,756
16-13-325-011		1,060
16-13-325-012		2,545
16-13-325-013		2,549
16-13-325-014		3,048
16-13-325-015		771
16-13-325-016		2,873
16-13-325-017		3,672
16-13-325-018		778
16-13-325-019		919
16-13-325-020		938
16-13-325-021		959
16-13-325-022		7,580
16-13-325-023	EX	
16-13-325-024		1,060
16-13-325-025		4,290
16-13-325-026		3,445
16-13-325-027	EX	
16-13-325-028		2,262
16-13-325-029	EX	
16-13-325-030		10,103
16-13-325-031		3,732
16-13-325-032		7,109
16-13-325-033		1,060
16-13-325-034	EX	
16-13-325-035	EX	
16-13-325-036		15,927
16-13-325-037		2,649
16-13-325-038		13,636
16-13-325-039	EX	
16-13-325-040	EX	
16-13-325-041		6,857
16-13-325-042		7,496
16-13-325-043	EX	
16-13-325-044		10,419
16-13-325-045		18,522
16-13-325-046		13,024
16-13-325-047		2,454
16-14-422-001		5,456
16-14-422-002		3,707
16-14-422-003		5,784
16-14-422-004		5,909
16-14-422-005		5,909
16-14-422-006		1,676
16-14-422-007		5,445
16-14-422-008		1,090
16-14-422-009	EX	
16-14-422-010		1,090
16-14-422-011		39,594
16-14-422-012		4,188
16-14-422-013		47,288
16-14-422-014		6,067
16-14-422-015		1,029
16-14-422-016		11,041
16-14-422-017		15,151
16-14-422-018	EX	
16-14-422-019		1,543
16-14-422-020		42,740
16-14-422-021	EX	
16-14-422-022		13,305
16-14-422-023		857

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PERMANENT INDEX NO.

1988 EAV

16-14-422-024		4,676
16-14-422-025		17,280
16-14-422-026		2,719
16-14-422-027	EX	
16-14-423-001		14,494
16-14-423-002		2,414
16-14-423-003		9,594
16-14-423-004		2,746
16-14-423-005		3,682
16-14-423-006		2,942
16-14-423-007		2,165
16-14-423-008		13,035
16-14-423-009		2,049
16-14-423-010	EX	
16-14-423-011	EX	
16-14-423-012		5,002
16-14-423-013		5,053
16-14-423-014		5,525
16-14-423-015		4,341
16-14-423-016		10,263
16-14-423-017		2,182
16-14-423-018		3,527
16-14-423-019		1,868
16-14-423-020		26,055
16-14-423-021		678
16-14-423-022		6,753
16-14-423-023		1,857
16-14-423-024		1,414
16-14-423-025		2,061
16-14-423-026		3,888
16-14-423-027		3,333
16-14-423-028		56,866
16-14-424-042		4,239
16-14-424-045		2,243
16-14-424-046	EX	
16-14-424-047		35,814
16-14-424-048		370,871
16-14-424-049		717
16-14-425-001		7,248
16-14-425-014		1,175
16-14-425-015		1,175
16-14-425-016		1,169
16-14-425-017		2,898
16-14-425-018		2,173
16-14-425-019		1,811
16-14-425-020		1,811
16-14-425-021		1,811
16-14-425-022		3,624
16-14-425-023		1,462
16-14-425-024		1,811
16-14-425-025		1,811
16-14-425-026		1,811
16-14-425-027		1,462
16-14-425-028		1,811
16-14-425-029		1,811
16-14-425-030		1,811
16-14-425-031		1,811
16-14-425-032		1,811
16-14-425-033		2,391
16-14-425-034		8,090
16-14-425-035		28,344
16-14-425-036		16,392
16-14-426-001		60,110

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PERMANENT INDEX NO.

1988 EAV

16-14-426-002		1,516
16-14-426-003		4,978
16-14-426-004	EX	
16-14-426-005		4,054
16-14-426-006	EX	
16-14-426-007		5,233
16-14-426-008		6,209
16-14-426-009		6,105
16-14-426-010		1,184
16-14-426-011		6,848
16-14-426-012		6,556
16-14-426-013		5,116
16-14-426-014		5,352
16-14-426-015		5,439
16-14-426-016		6,258
16-14-426-017	EX	
16-14-426-018		838
16-14-426-019		3,356
16-14-426-020		10,390
16-14-426-021		25,113
16-14-426-022		6,275
16-14-426-023		9,764
16-14-426-024		2,913
16-14-426-025	EX	
16-14-426-026		33,376
16-14-426-027		2,649
16-14-426-028		17,183
16-14-426-029	EX	
16-14-426-030	EX	
16-14-426-031		15,099
16-14-427-001		1,667
16-14-427-002		2,911
16-14-427-003		3,978
16-14-427-004		10,300
16-14-427-005	EX	
16-14-427-006		6,134
16-14-427-007		3,181
16-14-427-008		3,680
16-14-427-009		1,906
16-14-427-010		116
16-14-427-011		3,713
16-14-427-012		848
16-14-427-013		116
16-14-427-014		2,717
16-14-427-015		4,287
16-14-427-016		4,857
16-14-427-017		26,098
16-14-427-018		15,667
16-14-427-019		5,262
16-14-427-020		5,285
16-14-427-021		2,119
16-14-427-022		4,994
16-14-427-023		2,649
16-14-427-024		2,649
16-14-427-025		39,312
16-14-427-026		5,298
16-14-427-027		2,649
16-14-427-028	EX	
16-14-427-029		63,015
16-14-427-030		2,649
16-14-427-031		16,139
16-14-427-032		2,939
16-14-427-033		17,106
16-14-427-034		26,306
16-14-427-035		30,350

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PERMANENT INDEX NO.

1988 EAV

16-14-427-036	11,072
16-14-427-037	21,884
16-14-427-038	18,992
16-14-427-039	62,776
16-14-428-001	6,088
16-14-428-002	1,408
16-14-428-003	1,859
16-14-428-004	2,225
16-14-428-005	1,759
16-14-428-006	1,759
16-14-428-007	1,759
16-14-428-008	1,759
16-14-428-009	1,759
16-14-428-010	1,759
16-14-428-011	1,759
16-14-428-012	1,408
16-14-428-013	1,759
16-14-428-014	1,759
16-14-428-015	1,759
16-14-428-016	1,759
16-14-428-017	1,759
16-14-428-018	1,759
16-14-428-019	1,759
16-14-428-020	3,200
16-14-428-021	6,082
16-14-428-022	6,082
16-14-428-023	3,040
16-14-428-024	2,607
16-14-428-025	3,485
16-14-428-026	2,695
16-14-428-027	2,695
16-14-428-028	2,695
16-14-428-029	2,695
16-14-428-030	2,695
16-14-428-031	2,695
16-14-428-032	18,983
16-14-428-033	133,026
16-14-428-034	2,695
16-14-428-035	5,393
16-14-428-036	2,695
16-14-428-037	2,695
16-14-428-038	2,695
16-14-428-039	2,695
EX	
16-14-429-001	2,250
16-14-429-002	1,759
16-14-429-003	1,759
16-14-429-004	2,638
16-14-429-005	2,638
16-14-429-006	1,759
16-14-429-007	1,759
16-14-429-008	1,759
16-14-429-009	1,759
16-14-429-010	1,759
16-14-429-011	1,759
16-14-429-012	1,759
16-14-429-013	1,759
16-14-429-014	1,759
16-14-429-015	1,759
16-14-429-016	1,759
16-14-429-017	1,759
16-14-429-018	2,322
16-14-429-019	8,758
16-14-429-020	3,774
16-14-429-021	3,774
16-14-429-022	3,774

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PERMANENT INDEX NO.

1988 EAV

16-14-429-022	4,982
16-14-429-023	12,296
16-14-429-024	3,235
16-14-429-025	3,235
16-14-429-026	6,471
16-14-429-027	3,235
16-14-429-028	3,235
16-14-429-029	3,235
16-14-429-030	3,235
16-14-429-031	3,235
16-14-429-032	3,235
16-14-429-033	3,235
16-14-429-034	3,235
16-14-429-035	7,550
16-14-429-036	3,774
16-14-429-037	4,258
16-14-429-038	196,442

TOTAL

3,618,369

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MAPS

- Map 1 Project Boundaries
- Map 2 Existing Land Use
- Map 3 Redevelopment Plan/Proposed Land Use

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EXHIBIT A
PLAN AMENDMENT NO. 1

Roosevelt-Homan Commercial/Residential Redevelopment Area
Tax Increment Finance Program
Redevelopment Plan
May, 1996

The Roosevelt-Homan Commercial/Residential Redevelopment Area Tax Increment Finance Program Redevelopment Plan (the "Plan") of the City of Chicago approved by Ordinance of the City Council of Chicago on December 5, 1990, is amended by revising Table 1 (Estimated Redevelopment Costs - Program Action/Improvements) as follows:

REVISED TABLE NO. 1
"ESTIMATED REDEVELOPMENT PROJECT COSTS"

<u>Original Program Action/Improvements</u>	<u>Original Estimated Project Cost</u>	<u>Amended Program Action/Improvements</u>	<u>Amended Estimated Project Cost</u>
Commercial Area		Commercial/Residential	
Infrastructure Improvements	\$ 700,000	Public Improvements	\$1,000,000.00
Site Improvements	\$ 800,000	Site Improvements	\$1,000,000.00
Planning, Legal, studies	\$ 200,000	Planning, Legal, studies	\$500,000.00
Contingencies	\$ 150,000	Deleted	\$0.00
Residential Area			
Infrastructure Improvements	\$ 100,000		
Financing assistance - interest rate subsidy	\$ 200,000	Interest Cost	\$4,000,000.00
Acquisition	\$ 100,000	Property Assembly	\$3,000,000.00
Planning, Legal, studies	\$ 100,000		
Contingencies	\$ 50,000	Deleted	\$0.00
		Rehabilitation	\$3,000,000.00
		Job Training	\$500,000.00
Total Costs*	\$2,500,000		\$13,000,000.00

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* Note: The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs and other financing costs) Within this limit, adjustments may be made in line items without further amendment to Revised Table No.1 Line items and/or estimated redevelopment project costs in bold type are revisions to Table No.1 in the original Plan.

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EXHIBIT G

Permitted Liens

1. General Real Estate Taxes for the second installment of 1996, the year 1997 and subsequent years.
2. Reciprocal Easement and Operating Agreement by and among American National Bank and Trust Company of Chicago as Trustee, under Trust Agreement dated April 14, 1978 and known as Trust No. 41293, Lawndale Plaza Limited Partnership and Plitt Theaters, Inc., dated _____ and recorded on _____ as Document No. _____
3. Terms, provisions, conditions and limitations of the Lawndale Conservation Plan, as disclosed by the ordinance approving said plan, a copy which was recorded May 20, 1968, as Document 20494541; as revised by an ordinance to approve a revised Conservation Plan for the Lawndale Conservation Area, a copy of which was recorded August 5, 1970 as Document 21229162.
4. Easements reserved by the City of Chicago, for itself and for the benefit of such public and quasi-public utility agencies as may be involved, to maintain existing municipally-owned service facilities and public and quasi-public utility facilities and utilities, which reservation was made in vacation ordinance passed on September 28, 1977, a copy of which recorded December 22, 1977 as document 24257553; which ordinance further provides that the easement with respect to each such facility shall remain in effect until, and terminate upon, the abandonment or release of such facility or the relocation thereof in accordance with plans to be approved by the city of Chicago, in the case of a municipally-owned service facility, or by the public or quasi-public agency involved, in the case of other service facilities.
5. Covenants, conditions, restrictions and agreements contained in the quit claim deed from the City of Chicago, a municipal corporation of Illinois, to Pyramidwest Development Corporation, dated June 23, 1977, and recorded March 1, 1978, as Document 24345210, as affected by that certain Release Deed from the City of Chicago dated April ____, 1997 and recorded as Document No. _____.
6. Rights of the municipality, state of Illinois, the public and adjoining owners in and to that part of the land falling in streets, alleys, roads or highways.

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7. Rights of public or quasi-public utilities, if any, for maintenance therein of poles, conduits, sewers, etc., in streets and alleys.
8. Memorandum of Ground Lease executed by LaSalle National Bank, as Trustee [PLITT THEATRES, INC., OR AFFILIATED ENTITY], as Ground Lessor, and [ICE DEVELOPMENT, L.L.C. OR AFFILIATED ENTITY], as Ground Lessee, dated April 11, 1997 and recorded on April 11, 1997 as Document No. _____
9. Memorandum of Operating Lease executed by [ICE DEVELOPMENT, L.L.C. OR AFFILIATED ENTITY], as Lessor, and [PLITT THEATRES, INC., OR AFFILIATED ENTITY], as Tenant, dated April 11, 1997 and recorded on April 11, 1997 as Document No. _____
10. * Subordination, Non-Disturbance and Attornment Agreement by and between GE Capital Corporation and [PLITT THEATRES, INC. OR AFFILIATED ENTITY], dated _____ and recorded on _____ as Document No. _____
11. * Leasehold Mortgage, from [ICE DEVELOPMENT, L.L.C. OR AFFILIATED ENTITY], to GE Capital Corporation, dated _____ and recorded on _____ as Document No. _____
12. * Leasehold Assignment of Leases and Rents, by and between [ICE DEVELOPMENT, L.L.C. OR AFFILIATED ENTITY], and GE Capital Corporation. dated _____ and recorded on _____ as Document No. _____
13. * UCC Financing Statements executed by [ICE DEVELOPMENT, L.L.C. OR AFFILIATED ENTITY], as Debtor, and GE Capital Corporation, as Secured Party, dated _____ and recorded on _____ as Document No. _____

* These will be executed when the Project has been constructed and a certificate of occupancy has been issued.

Note: Construction loan is expected to be funded by The First National Bank of Chicago subsequent to the date hereof. The documents listed in #10 - 13 shall also be executed in favor of The First National Bank of Chicago.

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RECEIVED 4 10 97 5 08PM; 3129842238 => CORP COUNSEL; #2
SENT BY:RUONICK & WOLFE (Cgo.); 4-10-97 17:03 17 FL (312) 984-2238

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EXHIBIT H

Project Budget

Lawndale Project Budget (TIF)

Sources of Funds

Developer's Equity	\$ 2,599,500
Lender Financing	\$ <u>7,753,500</u>
	\$ 10,353,000

Uses of Funds

Acquisition Costs	\$ 1,300,000
Excavation/ Site Work	\$ 400,000
Landscaping/Perimeter Improvements	\$ 480,000
Site Development	\$ 317,000
Building Construction	\$ 4,776,000
FFE	\$ 1,750,000
Architectural and Engineering, Testing	\$ 400,000
Project Management	\$ 230,000
Legal/Survey	\$ 200,000
Contingency	\$ 200,000
Construction Interest	\$ <u>300,000</u>
	\$ 10,353,000

TF Lawndale RDA

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ROOSEVELT AND HOMAN TIF

CINEPLEX ODEON THEATER (ROOSEVELT AND HOMAN TIF)

EXHIBIT K

YEAR	MINIMUM ASSESSED VALUE	ESTIMATED MULTIPLIER	EQUALIZED ASS. VALUE	TAX RATE	TAXES
1997	\$794,615	2.1243	\$1,688,001	9.345%	\$0
1998	\$794,615	2.1243	\$1,688,001	9.345%	\$157,744
1999	\$794,615	2.1243	\$1,688,001	9.345%	\$157,744
2000	\$871,437	2.1243	\$1,851,193	9.345%	\$157,744
2001	\$871,437	2.1243	\$1,851,193	9.345%	\$172,994
2002	\$871,437	2.1243	\$1,851,193	9.345%	\$172,994
2003	\$952,960	2.1243	\$2,024,373	9.345%	\$172,994
2004	\$952,960	2.1243	\$2,024,373	9.345%	\$189,178
2005	\$952,960	2.1243	\$2,024,373	9.345%	\$189,178
2006	\$1,039,473	2.1243	\$2,208,153	9.345%	\$189,178
2007	\$1,039,473	2.1243	\$2,208,153	9.345%	\$206,352
2008	\$1,039,473	2.1243	\$2,208,153	9.345%	\$206,352
2009	\$1,131,282	2.1243	\$2,403,183	9.345%	\$206,352
2010	\$1,131,282	2.1243	\$2,403,183	9.345%	\$224,577
2011	\$1,131,282	2.1243	\$2,403,183	9.345%	\$224,577
2012	\$1,228,710	2.1243	\$2,610,149	9.345%	\$224,577
2013	\$1,228,710	2.1243	\$2,610,149	9.345%	\$243,918
2014	\$1,228,710	2.1243	\$2,610,149	9.345%	\$243,918

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EXHIBIT M

Legal Description:

LOTS 40 TO 45 AND THE WEST 5 FEET OF LOT 46, IN BLOCK 5 IN THE 12TH STREET ADDITION TO CHICAGO, BEING A SUBDIVISION OF THAT PART OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILROAD, IN COOK COUNTY, ILLINOIS, ALSO THE SOUTH 1/2 OF VACATED ALLEY LYING NORTH OF AND ADJOINING SAID LOTS; AND ALSO THAT PART OF VACATED GRENSHAW STREET LYING SOUTH OF AND ADJOINING SAID LOTS, ALL IN COOK COUNTY, ILLINOIS

Common Address: 3312 West Grenshaw
Chicago, Illinois 60653

Property Index No.: 16-14-424-046

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EXHIBIT N - FORM OF QUITCLAIM DEED
CITY TO DEVELOPER

(The Above Space For Recorder's Use Only)

CITY OF CHICAGO, an Illinois municipal corporation ("Grantor"), for the consideration of One Dollar (\$1.00), conveys and quitclaims all interest in the parcels of real property legally described and identified on Exhibit A attached hereto ("Parcels"), pursuant to Ordinance adopted by the City Council of the City of Chicago on _____, 1997, to Plitt/ICE Lawndale, L.L.C., an Illinois limited liability company ("Grantee"), located at 3312 West Grenshaw, Chicago, Illinois 60624.

This conveyance is subject to the express conditions that the Facility is constructed in accordance with the provisions of the Roosevelt-Homan Project Area Redevelopment Agreement, dated as of _____, 1997 between the Grantee and the Grantor by no later than two years from the date of this deed (or as otherwise provided in such Redevelopment Agreement). In the event that the conditions are not met, the City of Chicago may re-enter the Property and re-vest title in the City of Chicago. This right of reverter and re-entry in favor of the City of Chicago shall terminate five years from the date of this deed.

IN WITNESS WHEREOF, Grantor has caused this instrument to be duly executed in its name and behalf and its seal to be hereunto affixed, by its Mayor and City Clerk, on or as of the ____ day of _____, 1997.

ATTEST:

CITY OF CHICAGO,
a municipal corporation

By: _____
JAMES J. LASKI, City Clerk

RICHARD M. DALEY, Mayor

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard M. Daley, Mayor, and James J. Laski, City Clerk, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered as Mayor and City Clerk of the City of Chicago, the instrument as their free and voluntary act, and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 1997.

Notary Public

THIS INSTRUMENT WAS PREPARED BY:
Paul Davis, Esq.
Department of Law
121 North LaSalle Street
Chicago, Illinois 60602
312/744-3372

MAIL DEED AND TAX BILLS TO:

THIS TRANSFER IS EXEMPT PURSUANT TO THE PROVISIONS OF THE REAL ESTATE TRANSFER TAX ACT, 35 ILCS 200/31-45; AND SECTION 3-3 2-030B7(b) OF THE CHICAGO TRANSACTION TAX ORDINANCE.

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EXHIBIT A

Legal Description: [TO COME]

Common Address: 3312 West Grenshaw
Chicago, Illinois 60653

Property Index No.:

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Full power and authority is hereby granted to said Trustee to improve, manage, protect and subdivide said real estate or any part thereof to dedicate parks, streets, highways or alleys, to vacate any subdivision or part thereof and to resubdivide said real estate as often as desired, to contract to sell, to grant options to purchase, to sell on any terms to convey either with or without consideration, to convey said real estate or any part thereof to a successor or successors in trust and to grant to such successor or successors in trust all of the title, estate, powers and authorities vested in said Trustee, to donate, to dedicate, to mortgage, pledge or otherwise encumber said real estate, or any part thereof to lease said real estate or any part thereof, from time to time, in possession or reversion, by leases to commence in praesenti or in futuro and upon any terms and for any period or periods of time, not exceeding in the case of any single demise the term of 99 years, and to renew or extend leases upon any terms and for any period or periods of time and to amend, change or modify leases and the terms and provisions thereof at any time or times hereafter, to contract to make leases and to grant options to lease and options to renew leases and options to purchase the whole or any part of the reversion and to contract respecting the manner of fixing the amount of present or future rentals, to partition or to exchange said real estate, or any part thereof, for other real or personal property, to grant easements or charges of any kind, to release, convey or assign any right title or interest in or about or easement appurtenant to said real estate or any part thereof, and to deal with said real estate and every part thereof in all other ways and for such other considerations as it would be lawful for any person owning the same to deal with the same, whether similar to or different from the ways above specified, at any time or times hereafter.

In no case shall any party dealing with said Trustee, or any successor in trust in relation to said real estate, or to whom said real estate or any part thereof shall be conveyed, contracted to be sold, leased or mortgaged by said Trustee, or any successor in trust, be obliged to see to the application of any purchase money, rent or money borrowed or advanced on said real estate, or be obliged to see that the terms of this trust have been complied with, or be obliged to inquire into the authority, necessity or expediency of any act of said Trustee, or be obliged or privileged to inquire into any of the terms of said Trust Agreement; and every deed, trust deed, mortgage, lease or other instrument executed by said Trustee, or any successor in trust, in relation to said real estate shall be conclusive evidence in favor of every person (including the Registrar of Titles of said county) relying upon or claiming under any such conveyance, lease or other instrument, (a) that at the time of the delivery thereof the trust created by this Indenture and by said Trust Agreement was in full force and effect, (b) that such conveyance or other instrument was executed in accordance with the trusts, conditions and limitations contained in this Indenture and in said Trust Agreement or in all amendments thereof, if any, and binding upon all beneficiaries thereunder, (c) that said Trustee, or any successor in trust, was duly authorized and empowered to execute and deliver every such deed, trust deed, lease, mortgage or other instrument and (d) if the conveyance is made to a successor or successors in trust, that such successor or successors in trust have been properly appointed and are fully vested with all the title, estate, rights, powers, authorities, duties and obligations of its, his or their predecessor in trust.

This conveyance is made upon the express understanding and condition that neither American National Bank and Trust Company of Chicago, individually or as Trustee, nor its successor or successors in trust shall incur any personal liability or be subjected to any claim, judgment or decree for anything it or they or its or their agents or attorneys may do or omit to do in or about the said real estate or under the provisions of this Deed or said Trust Agreement or any amendment thereto, or for injury to person or property happening in or about said real estate, any and all such liability being hereby expressly waived and released. Any contract, obligation or indebtedness incurred or entered into by the Trustee in connection with said real estate may be entered into by it in the name of the then beneficiaries under said Trust Agreement as their attorney-in-fact, hereby irrevocably appointed for such purposes, or at the election of the Trustee, in its own name, as Trustee of an express trust and not individually (and the Trustee shall have no obligation whatsoever with respect to any such contract, obligation, or indebtedness except only so far as the trust property and funds in the actual possession of the Trustee shall be applicable for the payment and discharge thereof.) All persons and corporations whomsoever and whatsoever shall be charged with notice of this condition from the date of the filing for record of this Deed.

The interest of each and every beneficiary hereunder and under said Trust Agreement and of all persons claiming under them or any of them shall be only in the earnings, avails and proceeds arising from the sale or any other disposition of said real estate, and such interest is hereby declared to be personal property, and no beneficiary hereunder shall have any title or interest, legal or equitable, in or to said real estate as such, but only an interest in earnings, avails and proceeds thereof as aforesaid, the intention hereof being to vest in said American National Bank and Trust Company of Chicago the entire legal and equitable title in fee simple, in and to all of the real estate above described.

If the title to any of the above real estate is now or hereafter registered, the Registrar of Titles is hereby directed not to register or note in the certificate of title or duplicate thereof, or memorial, the words "in trust," or "upon condition," or "with limitations," or words of similar import, in accordance with the statute in such case made and provided.

EXEMPT UNDER THE PROVISIONS OF PARAGRAPH e,
SECTION 4 OF THE REAL ESTATE TRANSFER TAX
ACT.

[Handwritten signature]

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RIDER ATTACHED TO DEED IN TRUST WITH ADDITIONAL CONDITIONS

This conveyance is subject to the express condition that the Grantee complete construction on said real estate of, or implement, site improvements relating to its development within two years of the date of this deed (which condition may be met by the expenditure of at least \$20,000.00 for such site improvements during such period). In the event that the conditions are not met, the City of Chicago may re-enter said real estate and revert title in the City of Chicago. This right of reverter and re-entry in favor of the City of Chicago shall terminate five years from the date of this deed.

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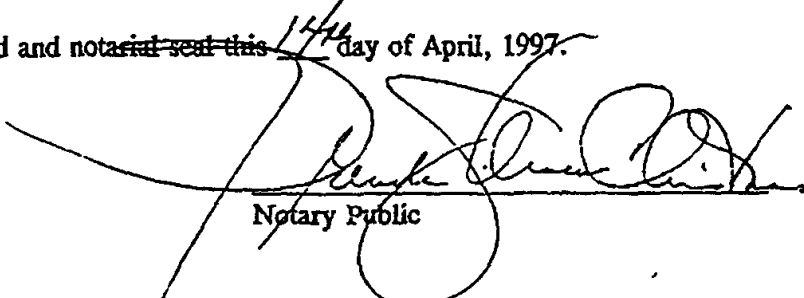
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Donzell Starks, as Manager of ICE Development, L.L.C., an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary acts, as the free and voluntary act of said company, and as the free and voluntary act of the limited liability company known as Plitt/ICE Lawndale, L.L.C., an Illinois limited liability company (on behalf of which said corporation has executed the foregoing instrument as a member), all for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 14th day of April, 1997.


Notary Public

My Commission expires:

December 16, 2000

"OFFICIAL SEAL"
BRENDA J. MACON-CHRISTMAS
Notary Public, State of Illinois
My Commission Expires 12/16/00

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Patrick J Burns, as Vice President of Plitt Theatres, Inc., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary acts, as the free and voluntary act of said corporation, and as the free and voluntary act of the limited liability company known as Plitt/ICE Lawndale, L.L.C., an Illinois limited liability company (on behalf of which said corporation has executed the foregoing instrument as a member), all for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 14th day of April, 1997.

[Handwritten Signature]
Notary Public

My Commission expires:

December 16, 2000

OFFICIAL SEAL
BRENDA J. MACON-CHRISTMAS
Notary Public, State of Illinois
My Commission Expires 12/16/00

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LEGAL DESCRIPTION OF "CITY LOTS" FALLING OUTSIDE OF PLITT PARCEL

LOTS 40, 41, 42, 43, 44 AND 45 AND THE WEST FIVE FEET OF LOT 46 (TOGETHER WITH THE SOUTH 1/2 OF THE VACATED ALLEY LYING NORTH OF AND ADJOINING SAID LOTS AND THE NORTH 1/2 OF VACATED GRENSHAW STREET LYING SOUTH OF AND ADJOINING SAID LOTS), IN BLOCK 5 IN TWELFTH STREET ADDITION TO CHICAGO, A SUBDIVISION OF THAT PART OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILWAY COMPANY, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 1887 AS DOCUMENT NUMBER 846130,

-EXCEPTING THEREFROM ANY PART THEREOF FALLING WITHIN THE FOLLOWING PARCEL-

THAT PART OF BLOCKS 4 AND 5 IN TWELFTH STREET ADDITION TO CHICAGO, A SUBDIVISION OF THAT PART OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE RIGHT OF WAY OF THE CHICAGO AND GREAT WESTERN RAILWAY COMPANY, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 1887 AS DOCUMENT NUMBER 846130, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID BLOCK 4; THENCE DUE WEST (BEING AN ASSUMED BEARING FOR THE BENEFIT OF THIS LEGAL DESCRIPTION) ALONG THE SOUTH LINE OF SAID BLOCK 4, 417.96 FEET TO AN INTERSECTION WITH A LINE BEING 180.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID BLOCK 4 (AS MEASURED AT RIGHT ANGLES TO THE WEST LINE THEREOF); THENCE NORTH 00 DEGREES 30 MINUTES 19 SECONDS WEST ALONG SAID PARALLEL LINE, 157.01 FEET TO AN INTERSECTION WITH A LINE BEING 157.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 4 (AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE THEREOF); THENCE DUE WEST ALONG SAID PARALLEL LINE, 180.01 FEET TO THE WEST LINE OF SAID BLOCK 4; THENCE NORTH 00 DEGREES 30 MINUTES 19 SECONDS WEST ALONG SAID WEST LINE, 175.11 FEET TO THE SOUTHWEST CORNER OF BLOCK 5 IN SAID TWELFTH STREET ADDITION TO CHICAGO; THENCE SOUTH 89 DEGREES 59 MINUTES 47 SECONDS EAST ALONG THE SOUTH LINE OF SAID BLOCK 5, 197.29 FEET TO THE SOUTHEAST CORNER OF LOT 31 IN SAID BLOCK 5, THENCE NORTH 00 DEGREES 32 MINUTES 17 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 31, 130.04 FEET TO THE NORTHEAST CORNER THEREOF; THENCE NORTH 89 DEGREES 59 MINUTES 41 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 31, 6.49 FEET TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE

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EAST LINE OF LOT 17 IN SAID BLOCK 5; THENCE NORTH 00 DEGREES 32 MINUTES 11 SECONDS WEST ALONG SAID EAST LINE AND THE SOUTHERLY EXTENSION THEREOF, 118.53 FEET TO THE NORTHEAST CORNER OF SAID LOT 17 AND ALSO BEING THE NORTH LINE OF SAID BLOCK 5; THENCE SOUTH 89 DEGREES 59 MINUTES 34 SECONDS EAST ALONG SAID NORTH LINE, 248.85 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 26 SECONDS WEST ALONG A LINE BEING PERPENDICULAR TO SAID LAST DESCRIBED NORTH LINE, 265.55 FEET TO AN INTERSECTION WITH A LINE BEING 17.00 FEET SOUTH OF THE SOUTH LINE OF SAID BLOCK 5 (AS MEASURED AT RIGHT ANGLES TO SAID SOUTH LINE OF BLOCK 5); THENCE SOUTH 89 DEGREES 59 MINUTES 47 SECONDS EAST ALONG SAID PARALLEL LINE, 173.23 FEET TO AN INTERSECTION WITH A LINE BEING 13.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SPAULDING AVENUE, SAID PARALLEL LINE ALSO BEING THE WEST LINE OF THAT PORTION OF SPAULDING AVENUE CLOSED TO VEHICULAR TRAFFIC PER DOCUMENT RECORDED DECEMBER 22, 1977 AS DOCUMENT NUMBER 24257553, THENCE SOUTH 00 DEGREES 36 MINUTES 48 SECONDS EAST ALONG SAID PARALLEL LINE, 315.08 FEET TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF SAID BLOCK 4; THENCE DUE WEST ALONG SAID EASTERLY EXTENSION, 13.00 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 4 AND THE POINT OF BEGINNING, COOK COUNTY, ILLINOIS.

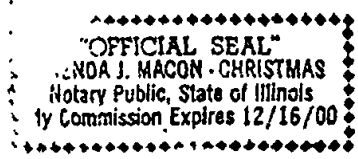
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STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

Dated April 1, 1997 Signature: [Signature]
Grantor or Agent

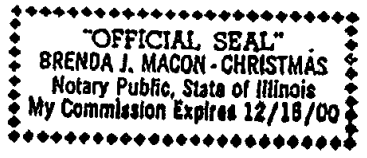
Subscribed and sworn to before me
this 17th day of April, 1997.
[Signature]
Notary Public



The grantee or his agent affirms and verifies that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated April 1, 1997 Signature: [Signature]
Grantee or Agent

Subscribed and sworn to before me
this 17th day of April, 1997.
[Signature]
Notary Public



NOTE: Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

[Attach to deed or ABI to be recorded in Cook County, Illinois, if exempt under provisions of Section 4 of the Illinois Real Estate Transfer Tax Act.]

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