

REDEVELOPMENT AGREEMENT

CITY OF CHICAGO

AND

STELLAR DISTRIBUTION SERVICES, INC.

*Executed
April 20, 1994*

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LIST OF EXHIBITS

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LE13-001.ST6 041994 This Agreement was prepared by and after recording return to:
Lynn C. Egan, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 511
Chicago, IL 60602

STELLAR DISTRIBUTION SERVICES, INC. REDEVELOPMENT AGREEMENT

This Stellar Distribution Services, Inc. Redevelopment Agreement (this "Agreement") is made as of this 20th day of April, 1994, by and between the City of Chicago, an Illinois municipal corporation ("City"), through its Department of Planning and Development ("DPD"), and Stellar Distribution Services, Inc., an Illinois corporation ("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"), City has the authority to promote the health, safety, and welfare of City and its inhabitants, to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. as amended (1992 State Bar Edition) (the "Act") to finance the redevelopment of blighted areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on December 15, 1993: (1) "An Ordinance of the City of Chicago, Illinois Approving and Adopting a Redevelopment Plan and Redevelopment Project for the Homan/Grand Trunk Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Homan/Grand Trunk Redevelopment Project Area a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Homan/Grand Trunk 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: Developer shall, as of the date hereof, acquire (the "Acquisition") title to the property legally described on Exhibit B hereto (the "Property"). The Property is located within the Redevelopment Area in the area generally bounded by extended 50th Street on the South, vacated South Spaulding Avenue on the East, 150 feet west of vacated St. Louis Avenue on the West,

and the Grand Trunk rail lines on the North, in Chicago, Illinois. Within the time frames set forth in Section 3.01 hereof, Developer shall acquire the Property and construct and equip thereon an approximately 75,000 square foot warehouse and distribution facility (the "Facility"). The Acquisition of the Property and the construction and equipping of the Facility and all 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 Homan/Grand Trunk Tax Increment Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Funds: City agrees to use, in the amount set forth in Section 4.03 hereof, a portion of the proceeds (the "G.O. Bond Proceeds") of its General Obligation Tender Bonds, Project Series B of 1992 (the "G.O. Bonds") issued pursuant to an ordinance adopted by the City Council on July 7, 1992 (the "G.O. Bond Ordinance"), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance"), at a later date in order to reimburse the City for the costs of TIF-Funded Improvements or to redeem or defease that portion of the G.O. Bonds used to fund the TIF-Funded Improvements.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Affiliate" shall mean any person or entity directly or

indirectly controlling, controlled by or under common control with Developer.

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

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

"City Funds" shall have the meaning ascribed to such term in Section 4.03(b) hereof.

"Change Order" shall mean any amendment or modification to the Plans and Specifications or the Project Budget as described in Section 3.02(a), Section 3.03 and Section 3.04, respectively.

"Closing Date" shall mean the date of execution of this Agreement by all parties hereto, which shall be the date of the first disbursement of City Funds pursuant to this Agreement.

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

"Corporation Counsel" shall mean 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. §9601 et seq.); (ii) any so-called "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. §6902 et seq.); (v) the Clean Air Act (42 U.S.C. §7401 et seq.); (vi) the Clean Water Act (33 U.S.C. §1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

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

overruns).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by City, the Title Company and Developer, 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 unaudited financial statements of Developer reviewed by a certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

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

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

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

"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 as amended from time to time, 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.

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

"MBE(s)" or minority-owned business shall mean a business

identified in the Directory of Certified Minority Business Enterprises published by City's Purchasing Department, or otherwise certified by City's Purchasing Department as a minority business enterprise.

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

"Permitted Liens" shall mean those liens and encumbrances against the Developer, the Property and/or the Project described on Exhibit G hereto and specifying, for any lien related to a loan, the name of the lender and the amount of the loan.

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

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

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

"Project Costs" shall mean all of the costs of the Project as set forth in the Project Budget.

"Redevelopment Project Cost(s)" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act, as amended from time to time.

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

"Survey" shall mean an ALTA plat of survey of the Property dated within 45 days prior to the Closing, acceptable in form and content to City and the Title Company, prepared by a surveyor registered in the State, certified to City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the U.S. Federal Emergency Management Agency of the Federal Insurance Administration (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the later of: (a) the date on which all TIF Bonds, evidencing tax increment financing under the Act secured in whole or in part by Incremental Taxes generated by the Project shall be redeemed; or (b) the date on which City shall have been fully reimbursed from Incremental Taxes generated

by this Project for amounts expended by City for the TIF-Funded Improvements; provided, however, that such term shall in no event be longer than the period for which the Redevelopment Area is in effect (through and including December 15, 2016).

"TIF Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, and (ii) the City has agreed to pay for out of City Funds subject to the terms of this Agreement.

"Title Company" shall mean Near North National Title Corporation, an Illinois corporation.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, issued by the Title Company.

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

SECTION 3. THE PROJECT

3.01 The Project. Subject to the provisions of Section 18.17 hereof and the receipt by Developer of all of the approvals required pursuant to Section 3.02(a) hereof, with respect to the Facility, Developer shall, pursuant to the Plans and Specifications: (i) commence construction no later than June 1, 1994; and (ii) complete construction and conduct business operations therein no later than November 15, 1994.

3.02 DPD Approval of Scope Drawings and Plans and Specifications.

(a) Preliminary Approval. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and all applicable state and local laws, ordinances and regulations. Prior to the Closing Date, Developer shall have delivered, and DPD shall have approved, the Scope Drawings. Prior to the Closing Date, Developer shall have submitted the Plans and Specifications to 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. DPD's review of the final Plans and Specifications shall be limited to a review to ensure that such Plans and Specifications are consistent with the Scope Drawings.

(b) Revisions. In the event DPD rejects all or any portion

of the Scope Drawings and/or Plans and Specifications as initially presented pursuant to Section 3.02(a), Developer shall have ten (10) business days from the date Developer is notified of such rejection to submit revised or corrected documents to DPD for DPD's written approval, which approval shall not be unreasonably withheld. DPD shall respond within ten (10) business days of receipt of the Scope Drawings and, within five (5) business days of receipt of the Plans and Specifications, with either a written approval thereof or a statement of reasons for the rejection thereof. After the initial approval, subsequent proposed changes shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget dated as of the date hereof showing total costs for the Project in an amount equal to Three Million Two Hundred Forty-Six Thousand One Hundred Dollars (\$3,246,100.00). Developer hereby certifies to City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) to the best of Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. 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.

(a) Approval Required. Except as provided below in Section 3.04(b) and 4.05(b), all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted by Developer to DPD for DPD's prior written approval, which shall not be unreasonably withheld or delayed, and in any event DPD shall respond to each Change Order within ten (10) business days. 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 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 City to increase the amount of City Funds which City has pledged pursuant to this Agreement or provide any other additional assistance to Developer.

(b) No Approval Required. Notwithstanding anything to the contrary in Section 3.04(a), Change Orders and/or any transfer or reallocation of costs or expenses from one line item of the Project Budget to another:

(1) where such Change Order and/or reallocation (i) relates to site preparation, construction of the Facility and machinery

and equipment and (ii) costs less than Fifty Thousand Dollars (\$50,000.00) each, to an aggregate amount of Two Hundred Thousand Dollars (\$200,000.00); or

(2) where such Change Order and/or reallocation (i) relates to any item other than site preparation, construction of the Facility and machinery and equipment and (ii) costs less than Two Thousand Five Hundred Dollars (\$2,500.00) each, to an aggregate amount of Twelve Thousand Five Hundred Dollars (\$12,500.00),

shall not require DPD's prior written approval, but DPD shall be notified in writing of all such Change Orders and reallocations prior to the implementation thereof and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

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

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

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

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

pursuant to the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to 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. Developer shall erect a sign of size and style approved by City in a conspicuous location on the Property during the Project, indicating that financing has been provided by City. City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in City's promotional literature and communications.

3.11 Utility Connections. 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 Developer first complies with all City requirements of general applicability governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, 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.

3.13 Developer's Authority. In order to further the redevelopment of the Redevelopment Area, City hereby authorizes Developer to oversee the planning, coordination and construction of the Facility on the Property in accordance with this Agreement and Developer hereby accepts such authorization.

3.14 Water Improvements. If Developer procures the easements described in Section 3.15 hereof, City's Department of Water ("DOW") shall construct the following described improvements in furtherance of the Project, which shall be completed no later than August 15, 1994:

(a) an approximately 700-foot-long water main, 12 inches in diameter, along the southern 24 feet of the Property and extending beyond the Property on either side, from South Spaulding Avenue to South Homan Avenue, at a cost of approximately \$100,000 (with \$50,000 of such cost to be paid out of City Funds, \$50,000 to be paid by DOW, and additional amounts, if any, to be paid out of City Funds through a reallocation among Project Budget line items for TIF-Funded Improvements); and

(b) if the fire flow tests on the above-described water main do not, in DOW's opinion, produce satisfactory results, DOW shall construct a second approximately 2,600-foot-long water main, 12 inches in diameter, along South Christiana Avenue from West 53rd Street to West 50th Street, with such cost to be borne by DOW.

Developer's failure to comply with the terms of this Agreement due to DOW's failure to carry out the provisions of this Section 3.14 shall not be considered to be an Event of Default by Developer hereunder, unless DOW's failure to comply is due to Developer's failure to procure the easements described in Section 3.15 or other failure of Developer to comply with the terms of this Agreement.

3.15 Easements. Developer shall cause to be conveyed to City and City shall accept all necessary easements for the water improvements described in Section 3.14 hereof and any other easements required for the Project, in form and substance satisfactory to DOW and DPD, subject to the approval of Corporation Counsel. Developer shall be responsible for payment of costs related to all title searches, insurance, surveys, recording fees and other costs related to such easements.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The Project Costs are estimated to be \$3,246,100, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity/Lender Financing (subject to <u>Section 4.06</u>)	\$ 2,706,100
Estimated City Funds (subject to <u>Section 4.03</u>)	<u>540,000</u>

ESTIMATED TOTAL \$ 3,246,100

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

4.03 City Funds.

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

(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, City hereby agrees to reserve City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
G.O. Bond Proceeds	\$ 540,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Five Hundred Forty Thousand Dollars (\$540,000) or seventeen percent (17%) of the actual total Project Costs.

4.04 Construction Escrow. City and Developer hereby agree to enter into the Escrow Agreement with the Title Company or an affiliate of the Title Company. All disbursements of Project funds (other than for non-liable non-TIF Funded Improvements documented to DPD's satisfaction) shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) Purchase of Property. On the Closing Date, City Funds shall be used to pay the City Fund pro-rata portion, pursuant to Section 4.05(e) hereof, of the purchase price of the Property (exclusive of transaction costs) constituting TIF-Funded Improvements. The balance of the purchase price of the Property payable out of City Funds as a TIF-Funded Improvement shall be disbursed to Developer from time to time in accordance with Section 4.05(e) hereof.

(c) City Fee. City may allocate the sum of Sixty Thousand

Dollars (\$60,000) for payment of costs incurred by City for the administration and monitoring of the Project. Such fee shall be disbursed to DPD by the Treasurer of the City of Chicago out of Incremental Taxes deposited into the Homan/Grand Trunk TIF Fund.

(d) Allocation among line items. Except as provided in Sections 3.04(b), 3.14(a) and 4.05(b), disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD (which shall not be unreasonably withheld or delayed), being prohibited.

(e) Allocation of costs with respect to sources of funds.

(i) Pro Rata Disbursement of Equity, Lender Financing and City Funds. Insofar as the type and timing of the expenditures permit, with respect to the disbursement of Equity, Lender Financing and City Funds, the proportion of the aggregate amount of funds disbursed from Equity and Lender Financing (whether for non-TIF-Funded Improvements or TIF-Funded Improvements) to the aggregate amount of funds disbursed from City Funds (other than \$25,000 of the costs to be paid out of City Funds for the water improvements described in Section 3.14 hereof), shall not be less than 4.77 to 1.00, and shall be disbursed as follows:

(A) Costs of non-TIF-Funded Improvements. All costs for items other than TIF-Funded Improvements (including costs paid through the Escrow and costs paid directly by Developer for non-liable expenses) shall be charged to Equity or Lender Financing.

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

Notwithstanding anything herein to the contrary, all expenditures of City Funds made on the Closing Date (except the \$25,000 to be paid for water improvements and referenced in Section 4.05(e)(i) hereof) shall be credited to the City's required pro-rata contribution, and no further City Funds shall be expended hereunder until the requisite pro-rata contribution of Lender Financing and Equity has been made.

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

4.07 Construction Contingency Reserve. A construction contingency reserve shall be required pursuant to the Construction Contract, and DPD shall have the right to approve the amount of such reserve, such approval not to be unreasonably withheld or delayed.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

5.04 Financing. Developer shall have furnished proof reasonably acceptable to City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing (including but not limited to that certain loan, in an amount not to exceed \$ _____, from Baldwin Transportation Company, a New York corporation ("Baldwin") and an Affiliate of Developer, to Developer, referred to herein as the "Baldwin Loan"), Developer shall have furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. In addition, Developer shall furnish proof reasonably acceptable to DPD of either (i) the availability of not less than \$2,600,000 of the proceeds of that certain loan from Marine Midland Bank to Baldwin (the "Midland Loan") or other lender reasonably acceptable to DPD, which proceeds are to be loaned by Baldwin to Developer as

needed to fund the Lender Financing hereunder or (ii) proof and documentation acceptable to DPD showing that Baldwin has sufficient assets on hand to fund the Lender Financing without the Midland Loan.

5.05 Acquisition and Title. On the Closing Date, Developer shall purchase the Property and shall furnish City with a later-dated copy of the Title Policy, certified by the Developer as a true and correct copy thereof, showing Developer as the named insured, with respect to the Property. The Title Policy shall be dated on the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Title Policy shall also contain such endorsements as shall be reasonably required by Corporation Counsel, including but not limited to extended coverage and satisfactory endorsements regarding zoning, contiguity and survey. Developer shall provide to DPD, prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, Developer, at its own expense, shall have provided City with current State and county level searches under Developer's name (and any trade name of Developer) showing no Uniform Commercial Code security interests, judgments, pending suits, federal or state tax liens or fixture filings filed against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

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

5.08 Insurance. Developer, at its own expense, shall have insured the Property in accordance with Section 12 hereof. Certificates or binders evidencing the required coverages, along with paid receipts, shall have been delivered to DPD prior to the Closing Date.

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

5.11 Evidence of Prior Expenditures. As of the Closing Date, 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.

5.12 Financial Statements. Developer has provided Financial Statements to DPD for its fiscal quarter ended March 31, 1994, and audited or unaudited interim financial statements, not less than thirty (30) days prior to the Closing Date.

5.13 Documentation. Developer shall have provided documentation to DPD, reasonably satisfactory in form and substance to DPD, with respect to current employment matters and Prior Expenditures.

5.14 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. Prior to the Closing Date, Developer shall provide an updated copy of such audit or a letter from the author of such audit, addressed to the City, containing recommendations for future work, if any, required to bring the Property into compliance with Environmental Laws. Based on DPD's review thereof, DPD may, in its sole discretion, require the completion of a phase II environmental audit with respect to the Property prior to the Closing Date. DPD reserves the right to terminate negotiations with respect to this Agreement if, in DPD's view, such audits reveal the existence of material environmental problems.

5.15 Other Preconditions of Disbursement. Developer shall have satisfied all other preconditions of disbursement of the City Funds as provided in the G.O. Bond Ordinance, any certifications or representations made by City in connection with the issuance of the G.O. Bonds, this Agreement and/or the Escrow Agreement.

5.16 Reliance Letter from Baldwin. City shall have received a reliance letter, in form and substance satisfactory to City in its sole discretion, from Baldwin with respect to the Baldwin Loan, which loan is not and will not be, prior to the issuance of a Certificate of Completion, secured by the assets of, or guaranteed by, Developer.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement. Prior to entering into an agreement with a General Contractor for construction of the Facility, Developer shall solicit bids from qualified contractors eligible to do business with the City of Chicago, and shall use its best efforts to solicit bids from qualified contractors having an office located in the City of Chicago. Developer shall select the General Contractor submitting the lowest responsible bid for a design/build lump sum contract for the Facility who can complete the Project in a timely manner, and shall submit such bid to DPD for its written approval. If Developer selects other than the lowest responsible bid, Developer shall pay the difference between the lowest responsible bid and the bid selected. DPD shall have the right to inspect all bids submitted and shall have final approval over the

bid process. The General Contractor shall not begin work on the Project until the Scope Drawings and Plans and Specifications, as provided in Section 3.02 hereof, have been approved by DPD and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to commencement of construction, Developer shall require that the General Contractor and any subcontractor be bonded, for any work to be performed in the public way, 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. City shall be named as an obligee or co-obligee on each such bond.

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

6.05 Local Contractors and Vendors. Developer shall use its best efforts to ensure that all subcontracts entered into in connection with the TIF-Funded Improvements for work done, services provided or materials supplied shall be let (by the General Contractor or any subcontractor) to persons or entities whose main office and place of business is located within the City of Chicago. The Construction Contract and each contract between the General Contractor and any subcontractor shall contain a provision to this effect.

6.06. Other Provisions. The Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF PROJECT

7.01. Certificate of Completion. Upon completion of the Project in accordance with the terms of this Agreement, and at

Developer's written request, DPD shall issue Developer a Certificate certifying that Developer has fulfilled its obligation to construct the Project in accordance with the terms of this Agreement; provided, however, that the issuance of any such Certificate shall not operate as a waiver of any of City's rights under this Agreement or any other agreement. Within thirty (30) days after receipt thereof, DPD shall respond to Developer's written request for a Certificate by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement, and any other objections to the issuance of a Certificate which DPD may have, and the measures which must subsequently be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and DPD shall respond to such request within thirty (30) days after receipt thereof.

7.02 Failure to Complete. If Developer fails to complete the Project in accordance with the terms of the Agreement, then City shall have the right to terminate this Agreement and shall have the right (but not the obligation) to complete the TIF-Funded Improvements and to pay for the costs or expenditures related to TIF-Funded Improvements (including interest costs) out of the City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of the City Funds available pursuant to Section 4.03, Developer shall reimburse City for all reasonable costs and expenses incurred by City in completing the TIF-Funded Improvements in excess of the available City Funds.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

Developer represents, warrants and covenants to City as follows:

8.01 General. Developer represents, warrants and covenants that:

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

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary corporate action and will not violate its Articles of Incorporation or by-laws as amended and supplemented, or to the best of Developer's knowledge any applicable provision of law, or constitute a breach

of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;;

(d) Subject to Section 18.15 hereof, unless otherwise permitted pursuant to the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens and Lender Financing as disclosed in the Project Budget);

(e) Developer is now and until the issuance of a Certificate shall remain solvent and able to pay its debts as they mature;

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

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

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

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

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD, which consent shall not be unreasonably withheld or delayed: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of 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 Developer's financial condition.

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of DPD, which consent shall not be unreasonably withheld or delayed, allow the existence of any liens against the Property other than the Permitted Liens, or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget, or except as disclosed on Exhibit K hereto (which Exhibit shall specify the name of the lender, the amount of all such loans and the date of any loan commitment related thereto and such other documentation as shall be reasonably required by DPD.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Section 3.02 hereof, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the G.O. Bond Ordinance, the TIF Bond Ordinance, if any, 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 Developer.

8.03 Redevelopment Plan. 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 Developer shall be used by Developer solely to pay for the TIF-Funded Improvements as provided in this Agreement.

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

8.06 Job Creation and Retention; Covenant to Remain in the City. Not less than thirty (30) new jobs shall be created by Developer at the Facility within twenty-four (24) months of the completion thereof. Such jobs shall be retained through the date of termination of the Redevelopment Area (December 15, 2016), so long as it remains economically viable to do so. Developer hereby covenants and agrees to maintain its operations within the City of Chicago through such date, so long as it remains economically viable to do so.

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

8.09 Prevailing Wage. 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 or subcontracts 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 City's request, Developer shall provide City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

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

8.11 Conflict of Interest. Developer represents and warrants that, to the best of its knowledge, no member, official, or employee of City, or of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by City, owns or controls (or has owned or controlled) any interest, direct or indirect, in Developer's business or the property described in Exhibit B hereto; nor shall any such member, official, employee or consultant participate in any decision relating to Developer's business which affects his or

her interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal quarter ended March 31, 1994 and each year ended December 31 thereafter for the Term of the Agreement. In addition, upon the request of DPD, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each quarter fiscal year. Upon DPD's written request and if required by any underwriter or bond counsel in connection with an issuance of TIF Bonds, if any, Developer shall obtain, at Developer's expense, and shall provide to DPD complete audited financial statements of Developer prepared in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods. The City acknowledges that the Financial Statements constitute proprietary information and if, under the Freedom of Information Act, they qualify as such, they shall be treated as such.

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

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

8.16 Compliance with Laws. The Property and the Project are, to the best of Developer's knowledge after diligent inquiry, 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 City's request, Developer shall provide evidence satisfactory to City of such compliance.

8.17 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the Closing Date in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender

Financing. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to City an executed original of this Agreement showing the date and recording number of record.

8.18 Non-Governmental Charges. Except for the Permitted Liens, 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 or may 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, 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. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question. Developer shall have the right to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge and prevent the imposition of a lien (other than mechanics' liens and liens created by operation of law) or the sale or forfeiture of the Property and, at DPD's request shall furnish a good and sufficient bond or other security reasonably 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.

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

8.20 Survival of Covenants. Except as set forth in this Section 8.20, all warranties, representations, covenants and agreements of Developer contained in this Section 8 or elsewhere in this Agreement shall be true, accurate, and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. EMPLOYMENT OPPORTUNITY

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

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their

race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by City setting forth the provisions of this nondiscrimination clause.

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

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

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

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

(f) Developer shall expend at least the following percentages of the following amount: \$2,227,800 (comprising the total of amounts to be paid, as set forth in the Project Budget, for site preparation, public works and construction of the Facility) for contract participation by MBEs or WBEs in the Project:

MBE Percentage
25%

WBE Percentage
5%

This commitment may be met by Developer's status as a MBE or WBE, or by a joint venture with one or more MBEs or WBEs (to the extent

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

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

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to City that Developer has reviewed a Phase I environmental study sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the G.O. Bond Ordinance, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees

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

SECTION 12. INSURANCE

Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of this Agreement, and until each and every obligation of 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 Developer, any contractor or subcontractor:

- (a) Prior to Execution and Delivery of this Agreement: At least five (5) business days prior to the execution of this Agreement, Developer shall procure and maintain the following kinds and amounts of insurance:

- (i) Workers' Compensation and Occupational Disease Insurance

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

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

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

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

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

(iii) Automobile Liability Insurance

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

(iv) All Risk Builders Risk Insurance

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

(v) Professional Liability

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

(c) Other Provisions

All insurance policies shall provide that City shall be given 30 days prior written notice of any modification, renewal or cancellation. Original certificates of insurance evidencing the required coverages and renewal certificates of insurance or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of this Agreement or prior to completion of construction of the Project, as applicable, shall be delivered in a timely manner, as herein required, to the City of Chicago, Department of Finance, Risk Management Office, 333 South State Street, Room 400, 60604. If Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, City may (without waiving or releasing any obligation or Event of Default by Developer hereunder) obtain and maintain such insurance policies and take any other action which City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by Developer upon demand by City.

Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by Developer and such contractors or subcontractors shall in no way limit Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law,

or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. Developer shall require all contractors and subcontractors to carry the insurance required herein, or Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

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

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

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

SECTION 13. INDEMNIFICATION

Developer agrees to indemnify, defend and hold 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 City arising from or in connection with (i) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) 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 or the Redevelopment Plan or any other document executed by Developer and related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or (iv) Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records relating to the Project into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Any authorized representative of City shall have access to all portions of the Project and the Property during normal business hours upon reasonable notice 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 Developer hereunder:

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

(b) the failure of Developer, subject to applicable notice and cure provisions, to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property, assets, operations or condition, financial or otherwise, and is not waived or excused by such person or entity;

(c) the making or furnishing by Developer to 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 Developer or for the liquidation or reorganization of Developer, or alleging that such Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution, in connection therewith, of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 Developer which remains unsatisfied or undischarged and in effect for thirty (30) days after such entry without a stay of enforcement or execution;

(h) the dissolution of Developer; provided, however, that this default provision shall survive only for a period of five (5) years after the issuance of a Certificate; or

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

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

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

15.03 Curative Period. In the event Developer shall fail to

perform a monetary covenant which 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 Developer shall have failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary covenant which 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 Developer shall have failed to cure such default within thirty (30) days of its receipt of a written notice from 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, 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.

15.04 Developer's Remedies. Developer shall be entitled to all remedies available at law or in equity in the event City fails to perform in accordance with this Agreement.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages currently in place with respect to the Project (or, if not currently in place, described to DPD's satisfaction) are listed on Exhibit G hereto, including mortgages made in connection with Lender Financing. In the event that Developer shall hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof, a mortgage(s) or deed(s) of trust (any such mortgage or deed of trust being hereinafter referred to as the "Mortgage" and the holder of the same being hereinafter referred to as the "Mortgagee"), then it is hereby agreed by and between City and Developer as follows:

(a) Prior to the issuance by City to Developer of a Certificate pursuant to Section 7 hereof, no such Mortgage shall be executed on the Facility without the prior written consent of the Commissioner of DPD, which consent shall not be unreasonably withheld or delayed.

(b) In the event that the Mortgagee or any other party shall succeed to Developer's interest in the Property pursuant to the exercise of remedies under a Mortgage, whether by foreclosure, deed in lieu of foreclosure, or otherwise, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.16 hereof, City hereby agrees to attorn to and recognize such party as the successor in interest to

Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such Mortgagee or other party succeeding to Developer's interest in the Property does not expressly accept an assignment of Developer's interest hereunder, such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

SECTION 17. NOTICE

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

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

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

If to Developer: Mr. William Schiffer
Executive Vice President
Stellar Distribution Services, Inc.
1080 Leggett Avenue
Bronx, New York 10474-5696

With Copies To: Patricia G. Gregory, Esq.
Polsky & Riordan, Ltd.
Suite 3909
205 North Michigan Avenue
Chicago, Illinois 60601

Mr. Mark Marasco
Stellar Distribution Services, Inc.
Homan Avenue and [50th] Street

Chicago, Illinois _____

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 City and 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 City shall be personally liable to Developer or any successor in interest in the event of any default or breach by City or for any amount which may become due to Developer from City or any successor in interest or on any obligation under the terms of this Agreement.

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

18.05 Waiver. Waiver by City or 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 City or 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 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 City.

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

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

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

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

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

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

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

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

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

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

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

ATTEST: STELLAR DISTRIBUTION SERVICES, INC.

By: _____ By: Mark A. Marans

Its: _____ Its: VICE PRESIDENT

CITY OF CHICAGO

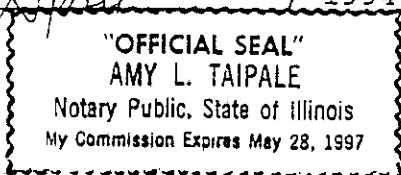
By: _____

Commissioner, Department
of Planning and Development

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Amy L. TAIPALE, a notary public in and for the said County in the State aforesaid, DO HEREBY CERTIFY that Mark Manasco and Vice President, personally known to me to be the Vice President and _____ of Stellar Distribution Services, Inc., an Illinois corporation (the "Corporation"), and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation, as their free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

April GIVEN under my hand and official seal this 18th day of April 1994.



Amy L. Taipale
Notary Public

My Commission Expires 5/28/97

(SEAL)

EXHIBIT A
REDEVELOPMENT AREA

Parcel "A"

That part of Blocks 19, 20, 21, 22 and 23 and vacated St. Louis Avenue, Homan Avenue and Spaulding Avenue in James H. Ree's Subdivision of the Northeast 1/4 of Section 11, Township 38 North, Range 13, East of the third principal meridian, described as follows: Beginning at the Southeast corner of Block 23; thence North 89° 52' 41" West along the South line of Block 23, a distance of 150.00 feet to a point; thence North 00° 02' 34" East, a distance of 230.94 feet to a point; thence North 52° 16' 03" East, a distance of 107.29 feet to the point on curve; thence Northeasterly along the arc of circle having a radius of 929.54 feet and convex Northwesterly a distance of 616.81 feet to a point; thence South 89° 42' 48" East, a distance of 847.77 feet to a line lying 22.00 feet East of and parallel with the East line of Block 19; thence South 00° 02' 34" West along said parallel line a distance of 189.97 feet to a point; thence North 89° 52' 41" West, a distance of 255.00 feet to a point; thence South 00° 02' 34" West, a distance of 300.00 feet to the point on South line of Block 19; thence North 89° 52' 41" West, along the South line of Blocks 19, 20, 21, 22, 23 and aforementioned avenues (except Spaulding Avenue) a distance of 1,251.66 feet to the point of beginning, in Cook County, Illinois.

Parcel "B"

That part of Block 19 and vacated Spaulding Avenue in James H. Ree's Subdivision of the Northeast 1/4 of Section 11, Township 38 North, Range 13, East of the third principal meridian, described as follows: Commencing at the Southeast corner of said Lot 19; thence South 89° 52' 41" East, a distance of 22.00 feet to the point of beginning; thence north 00° 02' 34" East, a distance of 300.00 feet to a point; thence North 89° 52' 41" West, a distance of 255.00 feet to a point; thence South 00° 02' 34" West a distance of 300.00 feet to the point on South line of said Block 19; thence South 89° 52' 41" East, a distance of 255.00 feet to the point of beginning, in Cook County, Illinois.

Subject to an easement for ingress and egress and utilities over a strip of land 40.00 feet wide being described as the east 40.00 feet of the Northerly extension of the Homan Avenue right of way as extended from the South line of the above described parcel to it's North line. Also subject to an easement for a storm drain over a 20.00 foot wide strip of land, the centerline of which is described as follows: Beginning at a point on the West line of Block 20 which lies North 00° 02' 33" East, 234.78 feet from the Southwest corner of said Block 20; thence South 79° 58' 37" West, 282.80 feet; thence North 09° 37' 10" West, 90.60 feet to the North line of above described parcel.

**EXHIBIT B
PROPERTY**

PARCEL 2:

THAT PART OF BLOCKS 19, 20 AND 21 AND VACATED SOUTH HOMAN AVENUE IN JAMES H. REE'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID BLOCK 19; THENCE NORTH 89° 52' 41" WEST, A DISTANCE OF 233.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89° 52' 41" WEST, A DISTANCE OF 700.00 FEET TO A POINT; THENCE NORTH 00° 02' 37" EAST, A DISTANCE OF 486.59 FEET TO THE POINT ON CURVE: THENCE NORTHEASTERLY ALONG THE ARC OF CIRCLE HAVING A RADIUS OF 929.69 FEET AND CONVEX NORTHWESTERLY A DISTANCE OF 106.81 FEET TO A POINT; THENCE SOUTH 89° 42' 48" EAST, A DISTANCE OF 593.40 FEET TO A POINT; THENCE SOUTH 00° 02' 34" WEST, A DISTANCE OF 490.70 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN No. 19-11-202-006

PIN No. 19-11-202-007

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Line Item

Real Property Assembly	\$	219,000
Easements (A portion of real property assembly as described in the Project Budget)		10,000
Site Preparation		202,300
Public Works		50,000
A/E		49,000
Consultants - TIF		<u>9,700</u>
TOTAL - TIF-FUNDED IMPROVEMENTS	\$	540,000

**HOMAN/GRAND TRUNK
TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT**

**Prepared for:
The City of Chicago**

**By:
Camiros, Ltd.**