

**PETERSON CICERO
REDEVELOPMENT PROJECT AREA**

**PETERSON CICERO, LLC
REDEVELOPMENT AGREEMENT**

BY AND BETWEEN

THE CITY OF CHICAGO

AND

Peterson Cicero, LLC,
An Illinois Limited Liability Company

Lakeside Bank, an Illinois banking corporation,
as Trustee under Trust Agreement No. 10-2690 dated May 4, 2004

This agreement was prepared by
and after recording return to:
Scott D. Fehlan
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

8000518

TABLE OF CONTENTS

	PAGE
SECTION 1. RECITALS	3
SECTION 2. DEFINITIONS	3
SECTION 3. THE PROJECT	9
3.01 <u>The Project</u>	9
3.02 <u>Scope Drawings and Plans and Specifications.</u>	9
3.03 <u>Project Budget</u>	10
3.04 <u>Change Orders</u>	10
3.05 <u>DPD Approval</u>	10
3.06 <u>Other Approvals</u>	10
3.07 <u>Progress Reports and Survey Updates</u>	11
3.08 <u>Inspecting Agent or Architect</u>	11
3.09 <u>Barricades</u>	11
3.10 <u>Signs and Public Relations.</u>	11
3.11 <u>Utility Connections</u>	11
3.12 <u>Permit Fees</u>	11
SECTION 4. FINANCING	11
4.01 <u>Total Project Cost and Sources of Funds</u>	11
4.02 <u>Developer Funds.</u>	12
4.03 <u>City Funds.</u>	12
4.04 <u>Requisition Form.</u>	14
4.05 <u>Treatment of Prior Expenditures and Subsequent Disbursements</u>	14
4.06 <u>Cost Overruns</u>	15
4.07 <u>Execution of Certificate of Expenditure</u>	15
4.08 <u>Conditional Grant</u>	16
SECTION 5. CONDITIONS PRECEDENT	16
5.01 <u>Project Budget</u>	16
5.02 <u>Scope Drawings</u>	16
5.03 <u>Other Governmental Approvals</u>	16
5.04 <u>Financing</u>	16
5.05 <u>Acquisition and Title</u>	17
5.06 <u>Evidence of Clean Title</u>	17
5.07 <u>Surveys</u>	17
5.08 <u>Insurance</u>	17
5.09 <u>Opinion of the Developer's Counsel</u>	18
5.10 <u>Evidence of Prior Expenditures</u>	18
5.11 <u>Financial Statements</u>	18
5.12 <u>Documentation</u>	18

5.13	<u>Environmental</u>	18
5.14	<u>Corporate Documents; Economic Disclosure Statement</u>	18
5.15	<u>Litigation</u>	18
SECTION 6. AGREEMENTS WITH CONTRACTORS		19
6.01	<u>Bid Requirement for General Contractor and Subcontractors</u>	19
6.02	<u>Construction Contract</u>	19
6.03	<u>Performance and Payment Bonds.</u>	19
6.04	<u>Employment Opportunity</u>	19
6.05	<u>Other Provisions</u>	19
SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION		20
7.01	<u>Certificate of Completion of Construction.</u>	20
7.02	<u>Effect of Issuance of Certificate; Continuing Obligations</u>	21
7.03	<u>Failure to Complete</u>	21
7.04	<u>Notice of Expiration of Term of Agreement</u>	21
SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.		22
8.01	<u>General</u>	22
8.02	<u>Covenant to Redevelop</u>	23
8.03	<u>Redevelopment Plan</u>	24
8.04	<u>Use of City Funds</u>	24
8.05	<u>TIF Bonds</u>	24
8.07	<u>Employment Opportunity; Progress Reports</u>	24
8.08	<u>Employment Profile</u>	24
8.09	<u>Prevailing Wage</u>	25
8.10	<u>Arms-Length Transactions</u>	25
8.11	<u>Conflict of Interest</u>	25
8.12	<u>Disclosure of Interest</u>	25
8.13	<u>Financial Statements</u>	25
8.14	<u>Insurance</u>	25
8.15	<u>Non-Governmental Charges</u>	25
8.16	<u>Developer's Liabilities</u>	26
8.17	<u>Compliance with Laws</u>	26
8.18	<u>Recording and Filing</u>	26
8.21	<u>Job Readiness Program</u>	30
8.22	<u>Survival of Covenants</u>	30
SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY		30
9.01	<u>General Covenants</u>	30
9.02	<u>Survival of Covenants</u>	30
SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS		30
10.01	<u>Employment Opportunity</u>	30
10.02	<u>City Resident Construction Worker Employment Requirement</u>	31
10.03	<u>The Developer's MBE/WBE Commitment</u>	33

SECTION 11. ENVIRONMENTAL MATTERS	35
SECTION 12. INSURANCE	36
SECTION 13. INDEMNIFICATION	40
13.01 <u>General Indemnity</u>	40
SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT	41
14.01 <u>Books and Records</u>	41
14.02 <u>Inspection Rights</u>	41
SECTION 15. DEFAULT AND REMEDIES	41
15.01 <u>Events of Default</u>	41
15.02 <u>Remedies</u>	42
15.03 <u>Curative Period</u>	43
SECTION 16. MORTGAGING OF THE PROJECT	43
SECTION 17. NOTICE	45
SECTION 18. MISCELLANEOUS	45
18.01 <u>Amendment</u>	45
18.02 <u>Entire Agreement</u>	46
18.03 <u>Limitation of Liability</u>	46
18.04 <u>Further Assurances</u>	46
18.05 <u>Waiver</u>	46
18.06 <u>Remedies Cumulative</u>	46
18.07 <u>Disclaimer</u>	46
18.08 <u>Headings</u>	46
18.09 <u>Counterparts</u>	47
18.10 <u>Severability</u>	47
18.11 <u>Conflict</u>	47
18.12 <u>Governing Law</u>	47
18.13 <u>Form of Documents</u>	47
18.14 <u>Approval</u>	47
18.15 <u>Assignment</u>	47
18.16 <u>Binding Effect</u>	48
18.17 <u>Force Majeure</u>	48
18.18 <u>Exhibits</u>	48
18.19 <u>Business Economic Support Act</u>	48
18.20 <u>Venue and Consent to Jurisdiction</u>	48
18.21 <u>Costs and Expenses</u>	48
18.22 <u>Business Relationships</u>	49

LIST OF EXHIBITS

Exhibit A	*Property
Exhibit B	*TIF-Funded Improvements
Exhibit C-1	Redevelopment Plan
Exhibit C-2	Redevelopment Area
Exhibit D	Construction Contract
Exhibit E	Escrow Agreement
Exhibit F	*Permitted Liens
Exhibit G	*Project Budget
Exhibit H	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Requisition Form
Exhibit L-1	*Form of City Note 1
Exhibit L-2	*Form of City Note 2
Exhibit M	Form of Subordination Agreement
Exhibit N	Form of Payment Bond
Exhibit O	City Recapture Mortgage
Exhibit P	Minimum Assessed Value

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

[leave blank 3"x 5"space for recorder's office]

This agreement was prepared by and
after recording return to:
Scott D. Fehlan
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

PETERSON CICERO, LLC
REDEVELOPMENT AGREEMENT

This Peterson Cicero, LLC Redevelopment Agreement (this "**Agreement**") is made as of this 28th day of April, 2005, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), Peterson Cicero, LLC, an Illinois limited liability company (the "**Company**") and Lakeside Bank, an Illinois banking corporation, not personally but in its capacity as a "land trustee" under Trust Agreement No. 10-2690 dated May 4, 2004 (the "**Trust**", together with the Company, the "**Developer**").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the **Tax Increment Allocation Redevelopment Act**, 65 ILCS 5/11-74.4-1 et seq., as amended from time to

time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on February 16, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Peterson Cicero Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Peterson Cicero Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Peterson Cicero Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items(1)-(3) collectively referred to herein as the "**TIF Ordinances**"). The redevelopment project area referred to above (the "**Redevelopment Area**") is legally described Exhibit C-2 hereto.

D. The Project: The Developer intends to purchase or has purchased (the "**Acquisition**") certain property located within the Redevelopment Area at 6000 North Cicero Avenue, Chicago, Illinois 60646 and legally described on Exhibit A hereto (the "**Property**"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete site preparation on the Property and construction of two separate buildings containing approximately 40,405 square feet of commercial space and approximately 136 condominium units, including 27 Affordable Units (the "**Facility**"). The Market-Rate and Affordable Units will have identical standard features. Each of the Affordable Units will include one parking space. Parking spaces will be available for purchase by owners of the Market-Rate Units at a price of \$25,000 each. The buildings will be constructed of masonry and stone with set back balconies. Fifty percent of the net roof area in both buildings will have green roofs, with the specific configuration being determined as the green roof design advances. A ground-level area of approximately 12,000 square feet between both buildings will be landscaped, and the Developer will construct perimeter site improvements, including the landscaping, lighting and new sidewalk improvements for both the east and west portions of Cicero Avenue from Peterson Avenue to North Glenlake Avenue. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit B and other obligations described above are collectively referred to herein as the "**Project**." The Project shall be commenced and completed within the time frames set forth in Section 3.01. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. It is anticipated that the Project will be developed in two phases, as described below, with each phase including both Affordable Units and Market-Rate Units. The number of Market-Rate Units may be reduced in the event that purchasers combine more than one unit into a larger unit.

Phase 1. The first phase of the Project ("**Phase 1**"), is expected to consist of a five-story building with approximately 40,405 square feet on the ground floor for Commercial Space, an approximately 45,028 square-foot below-grade parking structure containing approximately 132 parking spaces for the Commercial Space and approximately 91 parking spaces for the Residential Space, with approximately an additional 37 ground-level, surface parking spaces for the Commercial

Space. It is anticipated that the Commercial Space will be retained by the Developer and leased to one or more tenants. The second through fifth floors of the building will be developed with approximately 61 one- and two-bedroom condominium units, including two one-bedroom and ten two-bedroom Affordable Units which shall be subject to a City Recapture Mortgage. The one-bedroom Market-Rate Units will range in size from approximately 865 square feet to 934 square feet and will be offered at a price of approximately \$256,850. The two-bedroom Market-Rate Units will range in size from approximately 1,117 square feet to 1,531 square feet and will range in price from approximately \$307,175 to \$421,025. The one-bedroom Affordable Units will have approximately 865 square feet and will be offered at a price of approximately \$124,500 to Qualified Households. The two-bedroom Affordable Units will have approximately 1,054 square feet and will be offered at a price of \$154,500 to Qualified Households.

Phase 2. The second phase of the Project (“**Phase 2**”), is expected to consist of a six-story building with approximately 75 condominium units, including five one-bedroom and 10 two-bedroom Affordable Units which shall be subject to a City Recapture Mortgage, and an approximately 22,786 square-foot below-grade parking structure containing approximately 107 parking spaces. The one-bedroom Market-Rate Units will have approximately 958 square feet and will be offered at a price of approximately \$263,519. The two-bedroom Market-Rate Units will have approximately 1,546 square feet and will be offered at a price of approximately \$425,150. The one-bedroom Affordable Units will have approximately 866 square feet and will be offered at a price of approximately \$124,500 to Qualified Households. The two-bedroom Affordable Units will have approximately 1,064 square feet and will be offered at a price of \$153,500 to Qualified Households.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Peterson Cicero Tax Increment Financing Redevelopment Plan and Project dated _____ (the “**Redevelopment Plan**”) attached hereto as **Exhibit C-1**, as amended from time-to-time.

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

In addition, the 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, the proceeds of which may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Notes provided to the Developer pursuant to this Agreement), to make payments of principal and interest on the City Notes, or in order to reimburse the City for the costs of 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:

“**Act**” shall have the meaning set forth in **Recital B** hereof.

“**Actual Profit**” shall mean an amount equal to Net Sales Proceeds, plus City Funds, less Actual Project Costs.

“**Actual Project Costs**” shall mean all hard and soft costs included in the Project Budget and actually expended to implement the Project, as such costs are proved up to the satisfaction of DPD, exclusive of (a) sales commission, closing costs, developer fee, developer management fee and profit, (b) supervision, overhead or any other charges, fees or amounts paid to the Developer, its employees, staff or Affiliates, (c) construction interest expense and any fees and expenses related to the second mortgage from Peterson Cicero Limited Partnership, an Illinois limited partnership, or its Affiliates, and (d) acquisition interest expense and any fees and expenses related to the acquisition loan from HMB, LLC, an Illinois limited liability company, or its Affiliates.

“**Acquisition**” shall have the meaning set forth in **Recital D** hereof.

“**Affiliate**” shall mean, with respect to a party, any person or entity directly or indirectly controlling, controlled by or under common control with such party.

“**Affordable Price**” shall have the meaning set forth in **Exhibit B** to the City Recapture Mortgage attached hereto as **Exhibit O**.

“**Affordable Units**” shall mean the seven (7) one-bedroom condominium units and 20 two-bedroom condominium units included in the Project, each of which shall be sold to a Qualified Household for the applicable Affordable Price.

“**Available Incremental Taxes**” shall mean an amount equal to 92.5 percent of the Incremental Taxes deposited in the Peterson Cicero Redevelopment Project Area TIF Fund attributable to the taxes levied on the Property.

“**Certificate 1**” shall have the meaning set forth in **Section 7.01** hereof.

“**Certificate 2**” shall have the meaning set forth in **Section 7.01** hereof.

“**Certificates**” shall mean, collectively, Certificate 1 and Certificate 2.

“**Certificate of Expenditure**” shall mean any Certificate of Expenditure referenced in the City Notes pursuant to which the principal amount of the City Notes will be established.

“**Change Order**” shall mean any amendment or modification to the Plans and Specifications or the Project Budget as described in **Section 3.02**, **Section 3.03** and **Section 3.04**, respectively.

“**City Council**” shall have the meaning set forth in **Recital C** hereof.

“**City Funds**” shall mean the funds paid to the Developer as described in **Section 4.03(b)** hereof.

“**City Notes**” shall mean, collectively, City Note 1 and City Note 2.

“**City Note 1**” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Peterson Cicero Redevelopment Project Area), Taxable Series 2004A to be in the form attached hereto as **Exhibit L-1**, in the maximum principal amount of \$5,000,000, issued by the City to the Company on the Closing Date, bearing interest at the City Note Interest Rate, and as more fully described in **Section 4.03** hereof.

“**City Note 2**” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Peterson Cicero Redevelopment Project Area), Taxable Series 2004B to be in the form attached hereto as **Exhibit L-2**, in the maximum principal amount of \$5,300,000, issued by the City to the Company on the Closing Date, bearing interest at the City Note Interest Rate, and as more fully described in **Section 4.03** hereof.

“**City Note Interest Rate**” shall mean the rate equal to 300 basis points above the observed mean value for the prevailing interest rates for the 10-year United States Treasury constant maturity as published in the daily Federal Reserve Statistical Release for the 15 consecutive Business Days before the applicable City Note is issued, but in no event exceeding eight and three-fourths percent (8.75%).

“**City Recapture Mortgage**” shall mean the Mortgage, Security Agreement and Recapture Agreement Including Restrictive Covenants to be executed by purchasers of Affordable Units in favor of the City to secure the conditional repayment of the purchase price subsidy afforded such purchasers, which shall be in substantially the form of **Exhibit O**.

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

“Commencement of Construction of Phase II” shall mean (a) all conditions to the availability of the Lender Financing have been satisfied or waived by the applicable lender, (b) the proceeds of the Lender Financing are available to be drawn upon by the Developer and are sufficient (along with Equity as set forth in **Section 4.01**) to complete the Project, (c) DPD has approved the Plans and Specifications with respect to Phase II, (d) the Developer has provided to DPD a draft NFR with respect to the Property, (e) with respect to Phase II, the Developer has obtained all necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and proof of the General Contractor's and each subcontractor's bonding as required hereunder and has submitted evidence thereof to DPD, and (f) the Developer has commenced construction of the foundation of Phase II.

“Commercial Space” shall mean the space located on the first floor of the improvements to be located in the Phase 1 building on the Property that will contain area devoted to commercial and/or retail uses, which will have a net rentable floor area of approximately 40,405 square feet.

“Commissioner” shall mean the Commissioner of the City's Department of Planning and Development.

“Completion Certificate” shall mean a certificate of completion that the City may issue with respect to completion of Phase 1 or Phase 2 of the Project described in **Section 7.01** hereof.

“Construction Contract” shall mean that certain contract entered into between the Developer and the General Contractor in the form attached hereto as **Exhibit D**, providing for construction of portions of the Project.

“Corporation Counsel” shall mean the City's Office of Corporation Counsel.

“CPI” shall mean the Consumer Price Index for all Urban Consumers (1982-1984=100), Chicago/Gary/Kenosha Metropolitan Area - All Items published by the United States Department of Labor, Bureau of Labor Statistics (the “Bureau”). In the event that (i) the Bureau ceases to use the 1982-84 average of 100 as the basis of calculation and the Bureau does not recalculate the then applicable CPI number for all years including 1982-84, or (ii) the Developer and the City mutually agree in writing that the CPI does not accurately reflect the purchasing power of the dollar, or (iii) the CPI shall be discontinued for any reason, then the Developer and the City shall thereafter accept and use such other CPI or comparable statistic on the cost of living for the United States as shall be computed and published by an agency of the United States or by a responsible financial periodical of recognized authority selected by the Developer and the City. In the event of the use of comparable statistics of the CPI as above mentioned, there shall be made in the method of computation provided for, such revisions as the circumstances may require to carry out the intent of the parties as set forth herein.

“Employer(s)” shall have the meaning set forth in **Section 10** hereof.

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

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

“Event of Default” shall have the meaning set forth in **Section 15** hereof.

“Excess Profit” shall mean an amount equal to Actual Profit, less Threshold Profit where the Developer has sold at least all of the Affordable Units and eighty percent (80%) of the Market Rate Units and will include in Excess Profit the estimated profit from unsold Market Rate Units by calculating the average price per square foot of the sold Market Rate Units.

“Existing Mortgage” shall have the meaning set forth in **Section 16** hereof.

“Facility” shall have the meaning set forth in **Recital D** hereof.

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

“General Contractor” shall mean W.E. O’Neil Construction Company, which was selected pursuant to Section 6.01.

“Governmental Charge” shall have the meaning set forth in **Section 8.19(a)** hereof.

“Gross Sales Proceeds” shall mean all income generated by the Project, including but not limited to the proceeds from the sale of residential units, parking spaces and upgrades to residential units and proceeds from the sale of the Commercial Space. Proceeds from the sale of Commercial Space shall be deemed to be \$10,300,000, as increased, but not decreased, by the percent of increase in the CPI between the Closing Date and the date the Excess Profit amount, if any, is determined.

“Hazardous Materials” shall mean any toxic substance, hazardous substance, hazardous

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

“Human Rights Ordinance” shall have the meaning set forth in **Section 10** hereof.

“IEPA” shall mean the Illinois Environmental Protection Agency.

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

“Indemnitees” shall have the meaning set forth in **Section 13.01** hereof.

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

“Market-Rate Units” shall mean the 109 (or such lesser number as may be applicable if units are combined) condominium units included in the Project that shall be sold at market rates.

“MBE(s)” shall mean a business which, as of the date that it enters into a contract relating to the Project, is identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the MBE/WBE Program.

“MBE/WBE Budget” shall mean the budget attached hereto as **Exhibit H**, as described in **Section 10.03**.

“MBE/WBE Program” shall have the meaning set forth in **Section 10.03** hereof.

“Minimum Assessed Value” shall have the meaning set forth in **Section 8.19(c)** hereof.

“Municipal Code” shall mean the Municipal Code of the City of Chicago.

“Net Sales Proceeds” shall mean Gross Sales Proceeds minus actual sales commissions, closing costs and other costs that the City determines should be deducted from Gross Sales Proceeds rather than included in Project Costs.

“NFR Letter” shall mean a “no further remediation” letter issued by IEPA pursuant to the Site Remediation Program.

“New Mortgage” shall have the meaning set forth in **Section 16** hereof.

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

“Occupancy Report” shall have the meaning set forth in **Section 8.06** hereof.

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

“Permitted Mortgage” shall have the meaning set forth in **Section 16** hereof.

“Peterson Cicero Redevelopment Project Area TIF Fund” shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

“Phase 1” shall have the meaning set forth in **Recital D** hereof.

“Phase 2” shall have the meaning set forth in **Recital D** hereof.

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

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

“Project” shall have the meaning set forth in **Recital D** hereof.

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

“Property” shall have the meaning set forth in **Recital D** and **Exhibit A** hereof.

“Qualified Household” shall have the meaning set forth in **Exhibit B** to the City Recapture Mortgage attached hereto as **Exhibit O**.

“Redevelopment Area” shall have the meaning set forth in **Recital C** hereof.

“Redevelopment Plan” shall have the meaning set forth in **Recital E** hereof.

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

or otherwise referenced in the Redevelopment Plan.

“**Requisition Form**” shall mean the document, in the form attached hereto as **Exhibit K**, to be delivered by the Developer to DPD pursuant to **Section 4.04** of this Agreement.

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

“**Site Remediation Program**” shall mean, for purposes of this Agreement, the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

“**Survey**” shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 180 days prior to the Closing Date accompanied by an affidavit from the surveyor dated the Closing Date indicating no changes to the survey, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“**Term of the Agreement**” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2024).

“**Threshold Profit**” shall mean fifteen percent (15%) of Actual Project Costs.

“**TIF Adoption Ordinance**” shall have the meaning set forth in **Recital C** hereof.

“**TIF Bonds**” shall have the meaning set forth in **Recital F** and **Section 8.05** hereof.

“**TIF Bond Ordinance**” shall have the meaning set forth in **Recital F**.

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

“**TIF Ordinances**” shall have the meaning set forth in **Recital C** hereof.

“**Title Company**” shall mean Guaranty National Title Company.

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

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

“WBE(s)” shall mean a business which, as of the date that it enters into a contract relating to the Project, is identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the MBE/WBE Program.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof: (i) commence construction no later than April 1, 2005; (ii) complete construction of Phase 1 no later than December 1, 2007; and (iii) complete construction of Phase 2 no later than December 1, 2008.

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

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Sixty-Three Million Six Hundred Eighty-Nine Thousand Six Hundred Forty-Four Dollars (\$63,689,644). The Developer hereby certifies to the 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) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

3.04 Change Orders. Any Change Orders that individually or in the aggregate (a) permanently increase or decrease the Project Budget by more than ten percent (10%), (b) reduce the net rentable square footage of the Project by more than five percent (5%), or (c) change the basic

uses of the Project must be submitted by the Developer to DPD for DPD's prior written approval. DPD will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within thirty (30) days of its receipt thereof. The Developer shall not authorize nor permit the performance of any work relating to the Change Order described in the preceding clauses (a), (b) or (c) or the furnishing of materials in connection therewith prior to the receipt of DPD's written approval, or DPD's deemed approval. The Construction Contract and each contract between the General Contractor and any subcontractor shall contain a provision to this effect. An approved Change Order shall not be deemed to imply an obligation on the part of the City to increase the amount of City Funds payable pursuant to this Agreement or provide any other funding.

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

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

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

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect but which may be the same as Lender uses) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, provided its reasonable and customary 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. At the Developer's option, the inspecting architect may be the inspecting architect engaged by any lender providing Lender Financing for the Project, provided that said architect is an independent architect licensed by the State of Illinois.

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$63,689,644, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.05 and 4.06</u>)	\$ 0
Lender Financing	
First Mortgage Loan	35,021,925
Second Mortgage Loan	3,606,497
Sales Proceeds and Lease Income	57,197,575
City Funds	2,759,294 (*)
Debt Repayment	<u>(34,895,647)</u>
ESTIMATED TOTAL	\$63,689,644

(*) City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5 hereof.

4.02 Developer Funds. Equity, Lender Financing and/or Sales Proceeds and Lease Income

may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. **Exhibit B** sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b) and 4.05(c)**, contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. The costs listed on **Exhibit B** are Redevelopment Project Costs. City Funds shall not be paid to the Developer hereunder prior to the issuance of the applicable Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to reimburse the Developer for TIF-eligible expenses up to a maximum of Ten Million Three Hundred Thousand Dollars (\$10,300,000) (the “City Funds”). The City’s financial commitment will be as follows:

(i) City Notes. The City will issue the City Notes to the Company on the Closing Date.

(A) City Note 1 shall have an initial principal amount not to exceed the lesser of: (i) Five Million Dollars (\$5,000,000) or (ii) an amount equal to the costs of the TIF-eligible expenses which have been incurred by the Developer by Closing Date and are to be reimbursed by the City through payments of principal and interest on City Note 1, subject to the provisions hereof; and provided, however, that payments under City Note 1 are subject to the amount of Available Incremental Taxes deposited into the Peterson Cicero Redevelopment Project Area TIF Fund being sufficient for such payments. TIF-eligible costs, the Developer's request for reimbursement and City's outstanding balance on City Note 1 will be certified to City Note 1 on the date of issuance of City Note 1 and on an annual basis thereafter pursuant to **Section 4.04**. Interest on City Note 1 will accrue at the City Note Interest Rate upon the later to occur of (a) the issuance of Certificate 1 and (b) the Commencement of Construction of Phase 2. Interest on City Note 1 will compound annually. Payments of principal of and interest on City Note 1 shall be made as set forth below, provided that no payments shall be made before the later to occur of (a) the issuance of Certificate 1 and (b) the Commencement of Construction of Phase 2.

(B) City Note 2 shall have an initial principal amount not to exceed the lesser of: (i) Five Million Three Hundred Thousand Dollars (\$5,300,000) or (ii) an amount equal to the costs of the TIF-eligible expenses which have been incurred by the Developer by Closing Date and are to be reimbursed by the City through payments of principal and interest on City Note 2, subject to the provisions hereof; and

provided, however, that payments under City Note 2 are subject to the amount of Available Incremental Taxes deposited into the Peterson Cicero Redevelopment Project Area TIF Fund being sufficient for such payments. TIF-eligible costs, the Developer's request for reimbursement and City's outstanding balance on City Note 2 will be certified to City Note 2 on the date of issuance of City Note 2 and on an annual basis thereafter pursuant to **Section 4.04**. Interest on City Note 2 will accrue at the City Note Interest Rate upon the issuance of Certificate 2 and will compound annually. Payments of principal of and interest on City Note 2 shall be made as set forth below, provided that no payments shall be made before the issuance of Certificate 2.

(ii) Payments on the City Note. The City Notes attached hereto as **Exhibit L-1** and **Exhibit L-2** will have a maximum term of twenty years. The first payment with respect to City Note 1 shall be made on the later to occur of March 1, 2008 (from Available Incremental Taxes received by the City in the prior year) or two months after the City's receipt of a Requisition Form in accordance with **Section 4.04**. The first payment with respect to City Note 2 shall be made on the later to occur of March 1, 2009 (from Available Incremental Taxes received by the City in the prior year) or two months after the City's receipt of a Requisition Form in accordance with **Section 4.04**. After the City has made the first payment with respect to a City Note, thereafter, annual payments shall be made with respect to such City Note on the later to occur of March 1st of each subsequent calendar year or two months after the City's receipt of a Requisition Form. If, in any year, the City does not make such annual payment, then, in the next year (and if required, any subsequent years), Available Incremental Taxes shall first be applied to repay any shortfall amounts, and then applied to make such year's scheduled annual payment. In the event Available Incremental Taxes are more than sufficient to pay the scheduled annual payment (and no shortfall amounts remain unpaid), the City, in its sole discretion, may elect to use such excess Available Incremental Taxes to prepay the City Notes or for any other legal use that the City may deem necessary or appropriate. The City Notes may be prepaid in whole or in part, without premium or penalty, at any time.

If the Developer defaults pursuant to **Section 15.01**, interest shall immediately cease to accrue on the City Notes effective as of the date on which the Event of Default is deemed to have occurred pursuant to **Section 15.03**, and no payments shall be made with respect to the City Notes during any cure period applicable to such default. Any Available Incremental Taxes that would have been used to make payments during such time period shall, however, be reserved by the City pending the possible cure of such default. If such default is cured, interest shall again begin to accrue on the City Notes effective as of the actual date on which the default is cured and any reserved payments of Available Incremental Taxes shall be released by the City and used to pay the City Notes. If such default is not cured or

is not subject to a cure period, the City shall have the remedies set forth in **Section 15.03**.

(iii) **Transfer of City Notes**. After issuance, the City Notes may be pledged to a lender providing Lender Financing, but may not be sold without the consent of the Commissioner of DPD, which consent shall be in the Commissioner's reasonable discretion. Notwithstanding any such permitted pledge, the City shall have no obligation to make any payments with respect to the City Notes except to the Company, and then subject to the conditions set forth in this Agreement, including but not limited to **Section 18.15**, and in the City Notes.

(iv) **Cessation of Payments under City Notes**. If an Event of Default occurs (but subject to **Section 15.03**), the City shall have no further obligations to make any payments with respect to the City Notes and the City shall have the remedies set forth in **Section 15**.

(v) **Other Incremental Taxes**. Any Incremental Taxes that either (a) are not Available Incremental Taxes or (b) are not required to make payments under this Agreement (whether because all currently due payments have been made, because of the failure of the City Notes to issue, because of an Event of Default entitling the City to terminate further payments with respect to the City Notes, because of the full repayment of the City Notes, or otherwise) shall belong to the City and may be pledged or used for such purposes as the City deems necessary or appropriate.

(c) **Excess Profit Provision**. (i) Prior to the issuance of Certificate 2, the Developer shall submit to DPD an updated pro forma, including an updated Project Sources and Uses, using the final Project data. If the Developer realizes an Excess Profit, then for every \$1.00 of Excess Profit, the principal amount of City Note 2 will be decreased by \$.50. The amount that City Note 2 shall be decreased shall be determined prior to the issuance of Certificate 2, and the principal amount of City Note 2 shall be adjusted accordingly.

4.04 Requisition Form. On the Closing Date and prior to each November 1 (or such other date as the parties may agree to) thereafter, beginning in 2007 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form in the form attached hereto as **Exhibit K**, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD).

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) **Prior Expenditures**. Only those expenditures made by the Developer with respect to the Project that occurred 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 reasonable discretion, to disallow any such expenditure as a Prior Expenditure. **Exhibit I** hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures not listed on **Exhibit I** made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to **Section 4.01** hereof.

(b) **Allocation Among Line Items.** Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited, subject to the terms of **Section 3.04**. DPD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DPD that an expenditure qualifies as an eligible cost under the Act.

(c) **Allocation of Costs With Respect To Sources of Funds.**

(i) **Disbursement of Equity.** Each amount paid pursuant to this Agreement, whether for TIF-Funded Improvements or otherwise, shall be charged first to Equity.

(ii) **Disbursement of Lender Financing.** After there is no Equity remaining, each amount paid pursuant to this Agreement, whether for TIF-Funded Improvements or otherwise, shall be charged to Lender Financing.

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

4.07 Execution of Certificate of Expenditure. Prior to each execution of a Certificate of Expenditure by the City if a City Note is issued, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

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

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

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

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of execution of a Certificate of Expenditure, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in **Section 4.03** hereof.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

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

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name as follows:

Secretary of State
Secretary of State

UCC search
Federal tax search

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

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

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

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

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

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

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, including compliance with the Job Readiness Program as set forth in **Section 8.21** hereof.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. The Developer shall provide the City with a draft NFR Letter with respect to the Property upon issuance thereof, and a final NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate or similar instrument in such form and substance as the Corporation Counsel may require; operating agreement of the company; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in **Section 6.01(b)** below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in the City of Chicago, and shall submit all bids received, as requested by DPD, to DPD for its inspection. For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. The Developer shall submit copies of the Construction Contract to DPD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of DPD's request. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

6.02 Construction Contract. The Developer has delivered to DPD and DPD has approved the Construction Contract with the General Contractor selected to handle the Project in accordance with **Section 6.01** above. The Developer shall deliver to DPD any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment related to such work by sureties having an AA rating or better using a bond in the form attached as **Exhibit N** hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.09** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement) **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within seven (7) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction. Upon completion of construction of Phase 1 and Phase 2 of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer Certificate 1 and Certificate 2, respectively, in recordable form certifying that the Developer has fulfilled its obligation to complete Phase 1 or Phase 2 of the Project, respectively, in accordance with the terms of this Agreement.

(a) Certificate 1 will not be issued until:

- (i) The Developer has notified the City in writing that Phase 1 has been completed as defined in this Agreement; and
- (ii) The Developer has completed construction of a green roof for Phase 1 that covers at least 50 percent of the net roof area of Phase 1; and
- (iii) The Developer has received a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for Phase 1; and

- (iv) The Developer has complied with its obligations under the terms of the affordable housing requirements for Phase 1 as set forth in, but not limited to, Section 8.20 of this Agreement; and
- (v) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in **Section 10** and **Section 8.09** (M/WBE, City Residency and Prevailing Wage) with respect to construction of Phase 1; and
- (vi) Closings for the sale of 80 percent of the Market-Rate Units and all of the Affordable Units in Phase 1 have occurred; provided, however, that for purposes of issuing Certificate 1 and upon prior written request by the Developer, DPD may, in its sole discretion, include in the number of closings those units, if any, for which binding contracts of sale have been obtained but for which the sale closing has not occurred.

Certificate 2 will not be issued until:

- (i) The Developer has notified the City in writing that Phase 2 has been completed as defined in this Agreement; and
 - (ii) The Developer has completed construction of a green roof for Phase 2 that covers at least 50 percent of the net roof area of Phase 2; and
 - (iii) The Developer has received a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for Phase 2; and
 - (iv) The Developer has complied with its obligations under the terms of the affordable housing requirements for Phase 2 as set forth in, but not limited to, Section 8.20 of this Agreement; and
 - (v) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in **Section 10** and **Section 8.09** (M/WBE, City Residency and Prevailing Wage) with respect to construction of Phase 2; and
 - (vi) Closings for the sale of 80 percent of the Market-Rate Units and all of the Affordable Units in the Project have occurred; and
 - (vii) The Excess Profit amount, if any, has been determined.
- (b) DPD shall respond to the Developer's written request for the applicable Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in

which Phase 1 or Phase 2 of the Project, as applicable, does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures and the City thereafter shall issue the Certificate within thirty (30) days or send the Developer a written statement which details the way in which Phase 1 or Phase 2 of the Project, as applicable, does not conform to the Agreement or has not been satisfactorily completed.

(c) If the Developer does not complete Phase 1 of the Project and obtain Certificate 1 by June 1, 2008, or a revised date approved in writing by the Commissioner of DPD, City Note 1 will be terminated, and the City will retain any withheld payments; and if the Developer does not complete Phase 2 of the Project and obtain Certificate 2 by June 1, 2009, or a revised date approved in writing by the Commissioner of DPD, City Note 2 will be terminated, and the City will retain any withheld payments.

7.02 Effect of Issuance of Certificate; Continuing Obligations. A Certificate relates only to the construction of Phase 1 or Phase 2 of the Project, as applicable, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities with respect to Phase 1 or Phase 2, as applicable, have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of a Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at **Sections 8.02, 8.03, 8.06, 8.19 and 8.20** as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled with respect to Phase 1 or Phase 2 of the Project, as applicable. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

(b) the right (but not the obligation) to complete the TIF-Funded Improvements that are

public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing such TIF-Funded Improvements exceeds the amount of City Funds available pursuant to **Section 4.01**, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek any remedies set forth in **Section 15.02**.

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

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

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

(a) the Company is an Illinois limited liability company duly organized, validly existing, qualified to do business in its state of organization and in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required, and the Company owns one hundred percent of the beneficial interest of the Trust;

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

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

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

(e) the Developer is now and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which the Developer has no further interest in the Project, shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission,

board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

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

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

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

(j) prior to the issuance of both of the Certificates, the Developer shall not do any of the following without the prior written consent of DPD (with the exception of the contemplated sales or leasing of portions of the Property and the conveyance of common area parcels to an owners' association, which shall not in any event require the consent of the City): (1) be a party to any merger, liquidation, consolidation or transfer of the beneficial interest in the Trust; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property for a period of five (5) years from issuance of both of the Certificates (including but not limited to any fixtures or equipment now or hereafter attached thereto), except for the sale of individual condominium units and, following written notice to the City, a transfer to an Affiliate; (3) enter into any transaction outside the ordinary course of the Developer's business that would materially adversely affect the ability of the Developer to complete the Project; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; and

(k) the Developer has not incurred, and, prior to the issuance of both of the Certificates, shall not, without the prior written consent of the Commissioner, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; provided that nothing in this **Section 8.01(k)** shall be construed to prohibit the granting of easements and other similar recordable interests and liens in the Property necessary or desirable for the redevelopment of the Property; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer

of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City; and

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget and the Scope Drawings as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but with respect to Phase 1 and Phase 2 of the Project, shall be deemed satisfied upon issuance by the City of the applicable Certificate with respect thereto.

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

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

8.05 TIF Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds payable from Incremental Taxes in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment of, the TIF-Funded Improvements ("**TIF Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and

provide reasonable assistance in connection with the marketing of any such TIF Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Occupancy, Permitted Uses. With respect to the Commercial Space only, the Developer shall lease and cause to be occupied not less than 70 percent of the net leasable square footage of the Commercial Space (the “**Minimum Occupancy**”) at the completion thereof; and shall maintain for the 12 months preceding Developer’s delivery of an occupancy progress report to DPD an average occupancy of the Commercial Space equal to the Minimum Occupancy (“**Average Minimum Occupancy**”) in order to receive payments on the City Notes. Developer shall deliver, with the Developer’s requisition for its annual City Note payments, an occupancy progress report for the commercial space detailing compliance with the requirement to maintain an Average Minimum Occupancy (the “**Occupancy Report**”) for the period October 1st of the preceding year to September 30th of the current year, such request to be submitted each year, through the 10th anniversary of the issuance of Certificate 1. The Developer shall cause the Commercial Space to be used for commercial use as permitted pursuant to the Redevelopment Plan. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in **Section 10** hereof; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and City resident obligations in **Section 10** shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount so long as such **Section 10** obligations are satisfied on an aggregate basis.. The Developer shall deliver to the City written progress reports detailing (1) compliance with the requirements of **Sections 8.08, 10.02 and 10.03** of this Agreement (based on expenditures to-date); and (2) copies of draw requests to monitor for City requirements, and any other reports. Such reports shall be delivered to the City when the Project is 50 percent completed (to be measured in dollars expended to date, based on 50 percent of the Project Budget in the executed Redevelopment Agreement), and thereafter on a regular quarterly basis; failure to do so will be deemed an Event of Default. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD’s satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.09 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate

as ascertained by the Illinois Department of Labor for all construction trades, to all Project employees employed by the Developer. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Illinois Department of Labor revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.09**.

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

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

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2003 and, until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which the Developer has no further interest in the Property, the Developer shall obtain and provide to DPD Financial Statements for each fiscal year thereafter. In addition, until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which the Developer has no further interest in the Property, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or

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

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

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

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

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

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, the Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create or may create a lien upon the Developer or all or any portion of the Property or the Project. **“Governmental Charge”** shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any

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

(c) Real Estate Taxes.

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

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

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

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

(v) Covenants Running with the Land. The parties agree that the restrictions contained in

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

(d) Not Applicable to Purchasers of Condominium Units or Commercial Space. The provisions of this **Section 8.19** shall not apply to Governmental Charges or Real Estate Taxes payable by, or contestable by, owners of individual condominium units or Commercial Space that has been purchased from the Developer or Affiliate after such time as such owners, under the terms of their purchase contracts and/or the condominium declaration, become responsible for the payment of Governmental Charges or Real Estate Taxes attributable to their respective units.

8.20 Affordable Housing Covenant. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of this Affordable Housing Covenant (as set forth in this **Section 8.20**) shall govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility, excluding the Commercial Space, shall be operated and maintained solely as a residential development.

(b) At least twenty percent (20%) of the units in the Facility shall be Affordable Condominium Units, i.e., sold to Qualified Households for the applicable Affordable Price, all as set forth on **Exhibit O**. In connection with the marketing of each Affordable Unit, the Developer shall attach as an exhibit to each purchase contract a copy of the City Recapture Mortgage and shall state in such purchase contract that the purchaser will be obligated to execute such junior mortgage at the time of closing and comply with its terms thereafter. At each closing of the sale of an Affordable Unit, the Developer shall cause such fully executed and acknowledged junior mortgage to be recorded as a junior mortgage lien against the purchaser's Affordable Unit.

8.21 Job Readiness Program. The Developer shall encourage the tenants or purchasers of the Commercial Space to work with the City, through the Mayor's Office of Workforce Development (MOWD), to participate in recruitment, hiring and job training programs to provide job applicants for the jobs created by the Project and the operation of the Developer's business on the Property.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget (the product of .0005 x such aggregate hard construction costs as the same shall be evidenced by approved contract value for the actual contracts, but excluding tenant improvements that are not undertaken by the Developer), shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the

General Contractor and/or the subcontractors to prosecution.

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

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

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

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

- i. At least 24 percent by MBEs.
- ii. At least 4 percent by WBEs;

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one

or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this **Section 10.03**. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include *inter alia* the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and DPD shall have access to all such records maintained by the Developer, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this **Section 10.03**. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this **Section 10.03**, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this **Section 10.03** to the monitoring staff of DPD, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation,

that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

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

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's or the General Contractor's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than

\$100,000 each accident or illness.

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

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

(c) Term of the Agreement

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property owned by Developer. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

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

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

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer or the General Contractor pursuant to the requirements of subsections (a) or (b) of this **Section 12**, as applicable.

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

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

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

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

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

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

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

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

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

Project improvement; or

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or under any agreement that would materially, adversely effect the ability of Developer to fulfill its obligations under this Agreement;

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

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

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

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

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

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

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

(i) the dissolution of the Developer; or

(j) Developer's failure to complete the tasks required under this Agreement to obtain Certificate 1 on or prior to June 1, 2008, and Certificate 2 on or prior to June 1, 2009, subject to force majeure, or such revised date as is approved in writing by the Commissioner of DPD; or

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

(l) any prohibited sale, lease or transfer of the ownership interests in the Property in violation of **Section 8.01** hereof without the prior written consent of the City, except for the sale of individual condominium units.

For purposes of **Section 15.01(k)** hereof, a person with a material interest in the Developer shall be one owning in excess of twenty percent (20%) of the Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend payments due on the City Notes or terminate the City Notes. In the event that the City chooses to suspend payments due on the City Notes, no interest shall accrue on the City Notes during the curative period described in **Section 15.03**, unless the Developer complies within the applicable curative period. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured, provided, further, that (i) there shall be no cure period under this **Section 15.03** with respect to the Developer's failure to obtain Certificate 1 by June 1, 2008 and Certificate 2 by June 1, 2009; and (ii) the only cure provisions with respect to the Developer's failure to comply with the occupancy covenant requiring Developer to maintain an Average Minimum Occupancy under **Section 8.06** hereof are contained

in **Section 15.04** below.

15.04 Occupancy Curative Period. (a) In the event the Developer shall fail to maintain the Average Minimum Occupancy for the Commercial Space (“**Occupancy Default**”) under **Section 8.06**, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred, unless the Developer: (i) has failed to cure the Occupancy Default within one year of the date the City is due its Occupancy Report specifying such default (the “**Receipt Date**,” which is the same as the date the requisition for payment is due), such period to be defined as the “**Minimum Cure Period**”, or (ii) has cured a previous Occupancy Default within the Maximum Cure Period (defined herein); provided, however, if an Occupancy Default described in subpart (i) of this **Section 15.04** is not cured within the Minimum Cure Period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within the Minimum Cure Period and thereafter cures such default within two years of the related Receipt Date; provided, further, that through the Term of the Agreement the Developer will be allowed a maximum of two years to cure an Occupancy Default or such other time period as approved by the Commissioner of DPD in her/his sole discretion (the “**Maximum Cure Period**”).

(b) If the Developer submits an Occupancy Report which describes an Occupancy Default, except that the Developer has maintained the Minimum Occupancy in the thirty (30) days preceding the Receipt Date and the Developer has provided the City with evidence that it has contracted for the Minimum Occupancy for the following year, then the Developer will not be deemed to have incurred an Occupancy Default in relation to such Occupancy Report.

(c) If the Developer has cured all Occupancy Defaults, the Developer shall continue to deliver Occupancy Reports and maintain the Average Minimum Occupancy, after the 10th anniversary of the issuance of Certificate 1, for the number of years for which the Developer did not report maintaining the Average Minimum Occupancy.

15.05 Occupancy Remedies. (a) Upon the occurrence of an Occupancy Default, the principal amount of City Note 1 will be reduced by \$500,000. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

(b) Upon the occurrence of an Event of Default pursuant to an Occupancy Default that has not been cured as provided in **Section 15.04** above, the City may suspend disbursement of up to \$500,000 of payments due under City Note 1, until the Developer has complied with the occupancy covenants in **Section 8.06**, and no interest shall accrue on City Note 1 during the year described in the Occupancy Report with an Occupancy Default or during the Minimum Cure Period, unless Developer complies with **Section 8.06** within the Minimum Cure Period. No interest shall accrue on City Note 1 during the years described in an Occupancy Report with an Occupancy Default or during the Maximum Cure Period.

SECTION 16. MORTGAGING OF THE PROJECT

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

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land, those provisions being **Sections 8.02, 8.03, 8.06, 8.19 and 8.20.**

(b) In the event that any mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure (and the exercise of any such remedy and the transfer of title to the Property or to a mortgagee or any other party in connection with such exercise shall not be subject to the consent of the City or DPD), and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of “the Developer” hereunder as to the Property; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land, those provisions being **Sections 8.02, 8.03, 8.06, 8.19 and 8.20.**

If to the Developer: Peterson Cicero, LLC
c/o James Wozny
Brook-Ridge Development, Inc.
4747 West Peterson Avenue, Suite 102
Chicago, Illinois 60646

With Copies To: Neal & Leroy LLC
203 North LaSalle Street
Suite 2300
Chicago, Illinois 60601
Attention: Langdon D. Neal

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement **Exhibit C-1** hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term “material” for the purpose of this **Section 18.01** shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in **Sections 10.02** and **10.03** hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than **ninety (90)** days.

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

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

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

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

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the 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 the City shall be in form and content satisfactory to the City.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, DPD or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DPD in making all approvals, consents and determinations of satisfaction, granting the Certificates or otherwise administering this Agreement for the City. In furtherance of the foregoing, the terms of this Agreement may be modified administratively by the Commissioner without the same being deemed an amendment to this Agreement provided that the Commissioner, in consultation with the Corporation Counsel of the City, has determined that such modification is minor, appropriate and consistent with the terms and conditions of this Agreement and the purposes underlying the provisions hereof.

18.15 Assignment. Prior to the date which is five (5) years after the later of the issuance of Certificate 1 and Certificate 2, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, subject to the provisions set forth in **Section 8.01(j)** hereof; provided that, with the prior written consent of the City, the Developer may assign, on a collateral basis, the right to receive City Funds under the City Note to a lender providing Lender Financing, if any, prior to the issuance of the Certificates. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited **Section 8.22** (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the

transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[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.

PETERSON CICERO, LLC,
an Illinois limited liability company

By: Brook-Ridge Development, Inc., its manager

By: James J. Wozny
Its: PRESIDENT

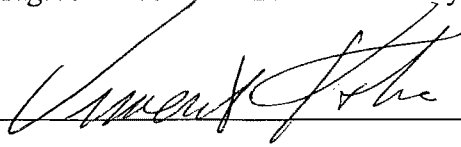
CITY OF CHICAGO

By: Denise Casalino
Denise Casalino
Commissioner, Department of Planning and Development

LAKESIDE BANK, not personally but as Trustee under Trust Agreement No. 10-2690 dated May 4, 2004

SEE RIDER ATTACHED HERETO AND MADE A PART HEREOF.

By: _____



Its: EXECUTIVE VICE PRESIDENT & TRUST OFFICER

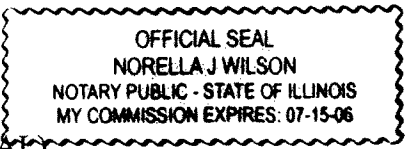
This Agreement is executed by Lakeside Bank, not individually but solely as Trustee, as aforesaid, and said Trust Agreement is hereby made a part hereof and any claims against said Trustee which may result from the signing of this Agreement shall be payable only out the trust property which is the subject of this Agreement, and it is expressly understood and agreed by the parties hereto, notwithstanding anything herein contained to the contrary, that each and all of the undertakings and agreements herein made are made and intended not as personal undertakings and agreements of the Trustee for the purposes of binding the Trustee personally, but this Agreement is executed and delivered by the Trustee solely in the exercise of the powers conferred upon it as such Trustee and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforced against said Trustee on account of any undertaking or agreement herein contained, either expressed or implied, or for the validity of the condition of the title to said property, or for any agreement with respect thereto. All representations of the Trustee, including those as to title, are those of the Trustee's beneficiary only. Any and all personal liability of Lakeside Bank is hereby expressly waived by the parties hereof and their respective personal representatives, estates, heirs, successors and assigns.

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Norella J. Wilson, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that JAMES J. WOZNY, personally known to me to be the PRESIDENT of Peterson Cicero, LLC, an Illinois limited liability company (the "Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Members of the Company, as his/her free and voluntary act and as the free and voluntary act of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28TH day of APRIL,
2005.

Norella J. Wilson
Notary Public



(SEAL)

My Commission Expires 7/15/06

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 28th day of April, 2005


Notary Public

My Commission Expires 6/21/2005



EXHIBIT A

PROPERTY

(To be attached)

EXHIBIT A

Legal Description

That part of Lots 8 and 9 in Ogden and Jones' subdivision of Bronson's part of Caldwell's Reserve in townships 40 and 41 north, range 13 east of the third principal meridian, bounded and described as follows: beginning at the intersection of the west line of North Cicero Avenue with the north line of west Peterson Avenue; thence south $88^{\circ}-58'-44''$ west along the north line of said Peterson Avenue (said north line being 50.0 feet north of and parallel with the center line of said west Peterson Avenue) a distance of 174.77 feet; thence north $05^{\circ}-03'-19''$ east, 4.10 feet; thence north $81^{\circ}-58'-13''$ west, 33.37 feet; thence north $39^{\circ}-03'-26''$ west, 51.65 feet to a point on a line 240.0 feet west of and parallel with the west line of said Cicero Avenue (said point being 50.0 feet north of the north line of said west Peterson Avenue); thence north $00^{\circ}-00'-00''$ west along said parallel line, a distance of 487.17 feet; thence north $88^{\circ}-58'-44''$ east along a line 537.17 feet north of and parallel with the north line of said west Peterson Avenue, a distance of 240.0 feet to the west line of said north Cicero Avenue; thence south $00^{\circ}-00'-00''$ west along the west line of said north Cicero Avenue, a distance of 537.17 feet to the place of beginning (said west line being 50.0 feet west of and parallel with the center line of said north Cicero Avenue), in Cook County, Illinois.

PIN 13-04-229-034 & -035;
13-04-229-031, -042, -047, -048, -049, and -056

Commonly known as: Northwest Corner Peterson and Cicero Avenues
Chicago, Illinois

EXHIBIT B

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Land Acquisition	\$ 11,850,000
Total TIF-Eligible Costs:	\$ 11,850,000*

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in **Section 4.03**.

EXHIBIT C-1

REDEVELOPMENT PLAN

(To be attached at Closing)

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act"), for a proposed redevelopment project area to be known as the Peterson / Cicero Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Community Development Commission (the "Commission") of the City, by authority of the Mayor and the City Council of the City (the "City Council") (with the Mayor and the City Council being collectively defined herein as the "Corporate Authorities")

called a public hearing (the "Hearing") concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on December 7, 1999; and

WHEREAS, The Plan (including the related eligibility study attached thereto as an appendix) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act prior to the adoption by the Commission of Resolution 99-CDC-213 on October 12, 1999 fixing the time and place for the Hearing, at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 15, 1999, by publication in the *Chicago Sun-Times* on November 17, 1999, and November 18, 1999, and by certified mail to taxpayers within the Area on November 15, 1999; and

WHEREAS, A meeting of the joint review board (the "Board") established pursuant to Section 5/11-74.4-5(b) of the Act was convened upon the provision of due notice on October 29, 1999 at 10:00 A.M., concerning the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 99-CDC-245 attached hereto as Exhibit B, adopted on December 7, 1999, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, In January 2000, certain changes (including the deletion of two (2) parcel identification numbers from Table P-2, showing acquisition parcels, and Figure E, the Land Acquisition Overview Map) were made to the Plan and a corrected Plan was filed with the City Clerk on January 19, 2000 (said corrected Plan is attached hereto as Exhibit A); and

WHEREAS, Pursuant to Section 5/11-74.4-5 (a) of the Act, notice of the changes was given by mail to each affected taxing district within the Area (a copy of the notice, which was filed with the City Clerk on January 19, 2000, together with the Plan, is attached hereto as Exhibit F) and by publication in the *Chicago Sun Times* on January 22, 2000, which is a date not less than ten (10) days prior to the adoption of this ordinance; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility study attached thereto as an appendix), testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

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

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

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (a) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission, or (b) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years.

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Powers Of Eminent Domain. In compliance with Section S/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

SECTION 6. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 7. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed
on page 25263 of this Journal.]

Exhibits "A", "B", "C", "D" and "F" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

*Peterson/Cicero Tax Increment Financing Redevelopment
Area Plan And Project.*

October 11, 1999

Revised As Of January 19, 2000.

*I.**Introduction.*

This report documents the Tax Increment Redevelopment Plan and Project (the "Redevelopment Plan") for the Peterson/Cicero Redevelopment Area (the "Project Area"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the City to improve and revitalize the Project Area. This document is intended to provide a framework for improvements within the district over the next twenty-three (23) years. The goal of the Redevelopment Plan is to encourage the redevelopment of existing obsolete and blighted buildings for uses which will contribute to the economic strength and vitality of the surrounding community.

In 1999, the City retained the planning consulting firm of Teska Associates, Inc ("T.A.I.") to assist the City in the development of a tax increment financing program for the Project Area. T.A.I. performed site evaluation and identified necessary public improvements. T.A.I. also documented the presence of age, deterioration, depreciation of physical maintenance, obsolescence, and excessive vacancies. This evidence enabled T.A.I. to conclude that the Project Area meets the statutory requirements for a Blighted Area and could be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act").

T.A.I. has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that T.A.I. has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

Project Area Description.

The Project Area is located approximately nine (9) miles northwest of the central business district of Chicago, in the Forest Glen community area. It is bounded roughly by an improved property currently known as the headquarters of the Polish National Alliance with the common address of 6100 North Cicero Avenue on the north (at approximately West Glenlake Avenue), the Edens Expressway (I-94) on the west, Peterson Avenue on the south, and Cicero Avenue on the east (see Figure A).

The Project Area has excellent accessibility. Both Peterson and Cicero Avenues are served by C.T.A. bus routes, and the Edens Expressway offers easy accessibility to downtown Chicago and other parts of the region, as well as visibility for the Project Area.

As described more fully in the Appendix, however, the Project Area is characterized by blighted conditions. The City believes that Tax Increment Financing will be of substantial benefit to the site. Tax Increment Financing will induce private investment that will arrest and reverse the blighting conditions which currently exist.

The boundaries of the Project Area will gain an immediate and substantial benefit from the proposed redevelopment project improvements and Redevelopment Plan. The Project Area consists of approximately four and eight tenths (4.8) acres within one (1) legal block, and includes eight (8) commercial properties and two (2) adjacent public rights-of-way (see Table P-1 below).

Table P-1
Existing Land Uses.

	Acres	Percent Of Total
Commercial	3.1	65%
Rights-of-way	<u>1.7</u>	<u>35</u>
TOTAL:	4.8	100%

The Project Area is zoned as General Service -- Business District (B5-1). Surrounding the Project Area to the north, east, and south are other commercial properties, and to the west lies the Edens Expressway. The surrounding area is characterized by mid-sized office buildings and aging single story retail store-fronts (see Figure B).

The Project Area is accessible by many forms of surface transportation. Automobile, truck and bus routes ensure that the Project Area is well connected to the City and the nation. The area is bounded on three (3) sides by roads with State or Interstate designations.

Despite this advantageous and well-connected location, the Project Area has become blighted, and is characterized by under utilized or vacant commercial property. As Section VII, "Findings of Need for Tax Increment Financing" and the Eligibility Study in the Appendix demonstrate, the Project Area has not been subject to appropriate growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the City.

Tax Increment Financing.

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and serves as a guide to all proposed public and private actions in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan over a period not to exceed twenty-three (23) years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area ("incremental property taxes"). The key to this financing tool is that it allows for public capital investments that are repaid by property taxes from private development investment induced by those public capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation (principally from new private development) generated within the designated project area during the limited term of the redevelopment project. Thus, the project can pay for itself without the need for additional taxes to be levied city-wide, outside the boundaries of the Project Area.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Public and private reinvestment is possible only if Tax Increment Financing ("T.I.F.") is used as authorized by the Act. The revenue generated by the redevelopment activity will play a major and decisive role in encouraging private investment. Through this Redevelopment Plan, the City will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and

Redevelopment Project (as defined below) will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community living, working and learning environment.

The Redevelopment Plan.

As evidenced in Redevelopment Plan Section VII, "Findings of Need of Tax Increment Financing", the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of T.I.F.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- on a coordinated, rather than piecemeal basis, to ensure that land-use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
- on a reasonable, comprehensive and integrated basis to ensure that the factors leading to blight are eliminated; and
- within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "blighted area" as defined in the Act.

The success of this redevelopment effort will depend on cooperation between the public and private sectors. By means of public investment, the Project Area will become a stable environment for area-wide redevelopment by the private sector. The City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Project" to be undertaken to accomplish the City's above-stated goal. During implementation of

the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities, respectively, in order to construct, rehabilitate, renovate or restore public or private improvements on one (1) or several parcels.

The use of incremental property taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments may benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- A strengthening of the economic well-being of the surrounding community.
- An increase in construction and full-time employment opportunities for residents of the City.
- The replacement of unsightly uses, blight and vacated properties with viable, high-quality developments.
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote the comprehensive, area-wide redevelopment.
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, et cetera, intended to make the area appear safe and more attractive to investment.
- The provision of job training services to community members which make the Project Area more attractive to investors and employers.
- The creation of opportunities for women- and minority-owned businesses to share in the redevelopment of the Project Area.

II.

Legal Description.

That part of the east half of the southeast quarter and the east half of the northeast quarter of Section 4 and the west half of the southwest quarter and the

west half of the northwest quarter of Section 3, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

commencing at the most western corner of Lot 8 in Ogden and Jones' Subdivision of Bronson's Track in Caldwell's Reserve in Township 40 and 41 North, Range 13, East of the Third Principal Meridian; thence southeasterly along the southwesterly line of said Lot 8, a distance of 124.19 feet from the point of beginning; thence northward along a line parallel to the centerline of 100 foot wide North Cicero Avenue, a distance of 36.57 feet; thence eastward along a line parallel to the north line of 100 foot wide West Peterson Avenue to the east line of said North Cicero Avenue; thence southward along the east line of said North Cicero Avenue to the south line of said West Peterson Avenue; thence westward along the south line of said West Peterson Avenue, a distance of 300 feet; thence northward along a line parallel to the centerline of said North Cicero Avenue to the north line of said 100 foot wide West Peterson Avenue; thence northwesterly to a point 50 feet north of the north line of said West Peterson Avenue and 290 feet west of the centerline of said North Cicero Avenue; thence northward along a line 290 feet west and parallel with the centerline of said North Cicero Avenue to the point of beginning, all in Cook County, Illinois.

III.

Eligibility Summary Of The Proposed T.I.F. District.

During July 1999, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed T.I.F. district. The results of the study indicate that the Project Area meets the Act's requirements for a "blighted area," and is eligible to be designated by the City Council as a "Tax Increment Finance Redevelopment Project Area".

The Project Area qualifies as a blighted area under the Act based on the predominance and extent of parcels exhibiting eight (8) of the blighting factors listed in the Act (five (5) to a major extent and three (3) to a minor extent). The following factors are present to a major extent in the Project Area, and contribute to the designation of the Project Area as a blighted area:

1. age;
2. deterioration of buildings and surface improvements;
3. depreciation of physical maintenance;
4. obsolescence; and
5. excessive vacancies.

In addition, the following factors are present to a minor extent:

1. excessive land coverage;
2. deleterious land-use or layout; and
3. lack of community planning.

The detailed findings of this study are described in the Appendix of this report.

IV.

Redevelopment Goals, Objectives And Strategies.

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the general, overall goals and specific objectives of the Redevelopment Plan, and to present strategies for meeting these goals and objectives.

Goals.

The overall goals which are specifically directed to this Redevelopment Plan are:

- Reduction or elimination of those conditions which qualify the Project Area as a blighted area.
- Encouragement of land uses which strengthen the function and appeal of the Project Area for predominantly commercial and residential uses.

- Improvement of existing roadways and streetscape to enhance the desirability of redevelopment sites.
- Creation of an environment within the Project Area that will contribute to the health, safety, economic well-being and general welfare of the City, that will maintain or enhance the value of properties adjacent to the Area, and that will stimulate private investment in new construction, expansion and rehabilitation.
- Employment of residents surrounding the Project Area in jobs in the Project Area.

Objectives.

- Assemble and prepare sites which are conducive to modern mixed (commercial/residential) use development.
- Encourage the use and maintenance of the commercial property so as to contribute to the vitality of the adjacent commercial uses and the nearby Sauganash Neighborhood.
- Upgrade infrastructure throughout the Project Area.
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area.
- Enhance the appearance of the Project Area by landscaping the rights-of-way.
- Create strong public and private partnerships to capitalize upon and coordinate all available resources and assets.

Strategies.

Based on an analysis of the existing conditions of the Project Area and the overall goals and specific strategies stated above, the strategies for redevelopment should be to:

- Assemble and prepare property necessary to attract new mixed-use investment.

- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent project areas.
- Encourage employers within the Project Area to participate in job readiness and job training programs, established by this Redevelopment Plan, or operated by City agencies or local educational and training institutions.
- Promote commercial uses that support the needs of the community.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities and other public infrastructure.
- Study existing and future traffic conditions on arterial streets; and improve traffic flow, safety and convenience through traffic roadway and intersection improvements, traffic lighting improvements and traffic calming strategies.
- Study traffic noise impacts and implement strategies that would address any noise that could affect potential occupants of the Project Area.
- Ensure that environmental assessment surveys and environmental remediation activities (e.g. asbestos and lead-based paint abatement, underground storage tank removal, et cetera), if warranted, are performed on sites where demolition, rehabilitation, and/or new development is to take place.

V.

Proposed Land-Use And Redevelopment Opportunities.

Proposed Land-Use.

Appropriate redevelopment will ensure that the Project Area is once again an attractive element within a stable neighborhood. The strength of the surrounding neighborhood is built, in part, on the continuity of the scale of development. Single-family homes and relatively low density townhomes support the neighborhood business centers which (with the exception of the two (2) mid-rise office buildings south of Peterson Avenue) are single story street-oriented storefronts. New development which does not respect this scale will detract from the viability of the

neighborhood.

Therefore, even if the site could accommodate it, this is not an area suited to "big box" or suburban style retail facilities. The relatively shallow lot depth and small site area makes the site best suited for small scale mixed (commercial/residential) use development (see Figure C). Specifically, multifamily residential development would be well suited for the northern portion of the Project Area, away from the Peterson Avenue/Cicero Avenue intersection. An assisted living development for seniors may be a viable residential use. Residential development of relatively low density would be most compatible with the existing neighborhood scale. On the south end of the site, small scale retail development can take advantage of the visibility and accessibility of the location. However, retail development should not contain new uses that would compete with existing enterprises in the immediate vicinity.

Redevelopment Site.

In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector will not pursue investment opportunities in the Project Area. As described in Section VII, "Findings in Need for Tax Increment Financing" and the Eligibility Findings in the Appendix, the Project Area has not been subject to private sector interest or investment for several years. The properties in the Project Area are characterized by physical decline, vacancies and loss in value. Without public assistance, these blighted conditions can be expected to continue or worsen.

Therefore, public assistance and support will be required to induce the redevelopment of the Project Area through private reinvestment. The principal development alternative likely to generate sufficient tax increment and investor interest to drive other redevelopment in the area is the redevelopment of the entire Project Area for new mixed commercial and residential uses.

Redevelopment Activities.

Numerous public improvements will increase the functionality, appearance and viability of the Project Area as a strong mixed use neighborhood (see Figure D). Streetscape features will be installed along both sides of Cicero Avenue, adding visual identity to the area. Traffic lighting improvements will be made at the intersection of Peterson and Cicero Avenue to improve the functionality of this key intersection both for vehicles and pedestrians.

VI.

Redevelopment Project.

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

Purpose Of The Redevelopment Plan.

The Act defines the Redevelopment Plan as: "... the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof or 'industrial park conservation area', and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" (65 ILCS 5/11-74.4-3(n) (1996 State Bar Edition), as amended).

Further, the Act states that for such areas, "It is hereby found and declared that in order to promote and protect the health, safety, morals and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest" (65 ILCS 5/11-74.4-2(b) (1996 State Bar Edition), as amended).

The Proposed Land-Use Plan and Redevelopment Activities, in Figures C and D respectively, illustrate proposed land uses and key sites and projects. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with adjacent uses, becoming an asset to the community and stemming the growth of decay.

Eligible Redevelopment Project Costs.

The City may incur, or reimburse a private developer or redeveloper for incurring, redevelopment project costs. Redevelopment project costs include the sum total of

all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Redevelopment Project. Some of the costs listed below will become eligible costs under the Act pursuant to an amendment of the Act which will become effective November 1, 1999. Such costs may include, without limitation, the following:

- costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
- the cost of marketing sites within the area to prospective businesses, developers and investors;
- property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- costs of the construction of public works or improvements;
- costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
- financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include

payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding thirty-six (36) months thereafter and including reasonable reserves related thereto;

- to the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
- an elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- payment in lieu of taxes;
- interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act;
- up to fifty percent (50%) of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.
- up to seventy-five percent (75%) of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- the cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in

businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

Property Assembly.

To achieve the renewal of the Project Area, the City of Chicago is authorized to acquire and assemble property throughout the Project Area, clear properties of all or any improvements, and either: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program. The City may pay for private developer's cost of acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and clearing and grading of land. Furthermore, the City may require written redevelopment agreements with developers before acquiring any sites. In connection with the City exercising its power to acquire real property not currently on the Land Acquisition Overview Map, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

Figure E, Land Acquisition Overview Map, and Table P-2 indicate the parcels authorized to be acquired for clearance and redevelopment in the Project Area.

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

Land acquisition activities pursuant to the Acquisition Map will be initiated by the City with four (4) years from the date of the publication of an ordinance approving an acquisition.

Table P-2.

Acquisition Parcels by Block and
Parcel Identification Number.

Parcel Number	Address
13-04-229-031	6010, 6020 North Cicero Avenue
13-04-229-042	6034 North Cicero Avenue
13-04-229-047	6034 North Cicero Avenue
13-04-229-048	6028 North Cicero Avenue
13-04-229-049	6010, 6020 North Cicero Avenue
13-04-229-056	4816 West Peterson Avenue

Property Disposition.

Property to be acquired by the City as part of the Redevelopment Project may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements of facilities. Terms conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

Environmental Remediation.

Environmental remediation costs are a component of site preparation costs. Such costs may included those costs incurred to address ground level or below ground environmental contamination.

Rehabilitation Of Existing Public Or Private Structures, Fixtures, Or Leasehold Improvements.

The City of Chicago may provide assistance to encourage rehabilitation of existing

public or private structures which will remove conditions which contribute to the decline of the character and value of the district. Appropriate assistance may include, but is not limited to:

- Financial support to private property owners for the restoration and enhancement of existing structures within the Project Area.
- Improvements to the facade or rehabilitation of public or private buildings, fixtures, or leasehold improvements.

Public Improvements.

The City of Chicago may install public improvements in the Project Area to enhance the corridor as a whole, to support the Redevelopment Project Plan, and to serve the needs of Project Area residents. Appropriate public improvements may include, but are not limited to:

- vacation, removal, resurfacing, widening, reconstruction, construction and other improvements to street, alleys, pedestrian ways and pathways;
- installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- development of parks, playgrounds, plazas and places for public leisure and recreation;
- construction of public off-street parking facilities;
- installation, reconstruction, improvements or burial of public or private utilities;
- construction of public buildings;
- beautification, lighting and signage of public properties;
- maintenance of blighted rights in privately owned properties;
- demolition of obsolete or hazardous structures;
- improvements to publicly owned land or buildings to be sold or leased.

Recommended public improvements are shown on the proposed Redevelopment Activities plan (Figure D). These activities include installation of streetscape features along Cicero Avenue, and traffic lighting improvements at the intersection of Cicero Avenue and Peterson Avenue. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

Capital Costs Of Taxing Districts.

To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

Relocation.

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

Job Training.

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

Developer Interest Costs.

Funds may be provided to redevelopers for a portion of interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, provided that:

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year.

Day Care.

Funds may be allocated toward:

- the cost of day care services for children of employees from low-income families working for businesses located within the Project Area; and
- all or a portion of the cost of operation of day care centers established by Project Area businesses, to serve employees from low-income families working in businesses located in the Project Area.

Estimated Project Costs.

Table P-3 outlines the estimated costs of the Redevelopment Project.

Table P-3.

Estimated Redevelopment Project Costs.

Professional Services: studies, surveys, plans and specifications, administrative costs relating to redevelopment plan and projects: architectural, engineering, legal, financial, planning or other services; and the cost of marketing sites to prospective businesses, developers and investors	\$ 250,000
Property Assembly: land acquisition, demolition, site preparation and disposition	6,500,000
Environmental Remediation	500,000
Rehabilitation: reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements	200,000

Public Works Or Improvements: streetscape and traffic lighting improvements ⁽¹⁾	\$ 600,000
Job Training	200,000
Relocation	500,000
Developer Interest Costs	100,000
Day Care	<u>150,000</u>
TOTAL REDEVELOPMENT COSTS^{(2) (3)}:	\$9,000,000

Sources Of Funds.

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (E.A.V.) of real property within the Project Area over and above the certified initial

Notes:

- (1) Public improvements may also include capital costs of taxing districts. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, the capital costs of another taxing district may be paid under this item, but only to the extent incurred in furtherance of the Redevelopment Plan and set forth in a written agreement with the City.
- (2) The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
- (3) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.

E.A.V. of the real property. Any increase in E.A.V. is then multiplied by the current tax rate, resulting in a tax increment revenue. A decline in current E.A.V. does not result in a negative real estate tax increment.

Funds necessary to pay Redevelopment Project Costs may be derived from a number of authorized sources. The principal source of anticipated revenues is real property tax increments generated by new private development. There may be other local sources of revenue, including land disposition proceeds that the City determines are appropriate to allocate to the payment of Redevelopment Project Costs. The City may explore the availability of funds from state and federal programs to assist in financing the project costs. The City may incur redevelopment project costs which are paid from City funds other than incremental taxes, and the City may be then reimbursed for such costs from incremental taxes.

The Project Area may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous project areas or other project areas separated only by a public right-of-way, and vice versa.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended. If the City finds that the goals, objectives and financial success of such contiguous project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred in the form of a loan between such areas.

The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas designated under the Act or the Law, shall not at any time exceed the total Redevelopment Project Costs described in Table P-3 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the City may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be

reimbursed over time, if possible, from tax increment revenues.

Nature And Term Of Obligations To Be Issued.

Under the Act, the City may issue tax increment revenue obligation bonds and other obligations secured by incremental property taxes generated in the Project Area pursuant to the Act for a term not to exceed twenty (20) years. All such obligations shall be retired no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2023). The City may also issue general obligation bonds.

All obligations may be secured after issuance by projected and actual tax increment revenues and by such debt service reserves and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations (providing for reserves and sinking funds) and Redevelopment Project Costs may be declared surplus and become available for distribution to the taxing districts in the Project Area in the manner provided by the Act.

One (1) or more issues of obligations may be sold at one (1) or more times in order to implement the Redevelopment Plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

The City may, by ordinance, in addition to obligations secured by the tax allocation fund, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- net revenues of all or part of any redevelopment project;
- taxes levied and collected on any or all property in the City;
- the full faith and credit of the City;
- a mortgage on part or all of a redevelopment project;
- any other taxes or anticipated receipts that the City may lawfully pledge.

Equalized Assessed Valuation.

The most recent (1998) equalized assessed valuation (E.A.V.) of the Project Area is One Million One Hundred Fifty-one Thousand Sixty-one and no/100 Dollars

(\$1,151,061) (see Table P-4 below). This E.A.V. is based on 1998 E.A.V. figures collected by Teska Associates, Inc. and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial E.A.V. from which all incremental property taxes in the Project Area will be calculated by the County.

Table P-4.

Equalized Assessed Value.

Parcel	1998 Equalized Assessed Valuation
13-04-229-031	\$ 312,253
13-04-229-034	214,339
13-04-229-035	22,660
13-04-229-042	15,874
13-04-229-047	90,082
13-04-229-048	233,905
13-04-229-049	52,699
13-04-229-056	<u>209,249</u>
TOTAL:	\$1,151,061

Upon completion of anticipated private development of the Project Area, it is anticipated that the equalized assessed valuation will be in excess of Six Million Six Hundred Thousand Dollars (\$6,600,000). This projection is based upon the construction of a new mixed-use development including commercial and residential components, at prevailing market construction costs and lot coverage ratios. The calculation assumes that assessments appreciate at a rate of two percent (2%) per year. The projection represents a four hundred-seventy percent (470%) increase in

the total equalized assessed valuation. New projects of a different nature, rehabilitation of existing buildings, or appreciation of real estate values may vary this increase in equalized assessed valuation.

Affordable Housing.

The City requires that developers who receive T.I.F. assistance for market rate housing set aside twenty percent (20%) of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income.

VII.

Findings Of Need For Tax Increment Financing.

Pursuant to the Act, T.A.I. makes the following findings:

Project Area Not Subject To Growth.

Although the City and its surrounding regional area, as a whole, have evidenced growth, the Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The lack of growth is evidenced by the following factors:

Lack Of New Construction/Renovation By Private Enterprise.

Building permit records in the Project Area for the period from January 1993 to August 1999 were obtained from the City. Only two (2) building permits were issued to the Project Area, both during 1993 (see Table P-5). Considering the deteriorated and blighted state of the buildings in the Project Area, the lack of investment, as shown by building permit activity, is quite evident. Clearly, new construction and renovation by private enterprise has not occurred in the Project Area recently.

Table P-5.

Building Permits in The Project Area,
January 1993 To August 1999.

Address	Type Of Permit	Value
6020 North Cicero Avenue (Edens Motel)	repair	\$12,750
6028 North Cicero Avenue (Edens Car Wash)	addition	<u>35,000</u>
TOTAL:		\$47,750

Equalized Assessed Values That Fail To Keep Pace With The City As A Whole.

Between 1993 and 1998 the Equalized Assessed Valuation of the Project Area decreased from One Million Three Hundred Eighty-two Thousand Eighty Hundred Twenty-two Dollars (\$1,382,822) to One Million One Hundred Fifty-one Thousand Sixty-one Dollars (\$1,151,061), a decrease of seventeen percent (17%) or an average annual decrease of three and four-tenths percent (3.4%). By contrast, over the same time period, the Equalized Assessed Value of the City as a whole increased from Thirty Billion Nine Hundred Fifty-two Million Three Hundred Forty-one Thousand Eight Hundred Ninety-eight Dollars (\$30,952,341,898) to Thirty-seven Billion Two Hundred Eighteen Million Eight Hundred Forty Thousand Two Hundred Thirteen Dollars (\$37,218,840,213), which represents an increase of twenty and two-tenths percent (20.2%), or an average annual increase of four and four-hundredths percent (4.04%). Thus the level of investment and property appreciation within the Project Area is substantially lower than the City as a whole.

VIII.

Financial Impact Of Redevelopment.

Without the adoption of the Redevelopment Plan and Project, the Project Area is

not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in E.A.V. caused by the Redevelopment Project.

Demand On Taxing District Services.

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

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

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

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

City Of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, et cetera.

Board Of Education Of The City Of Chicago And Associated Agencies. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth (12th) grade.

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

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

The replacement of vacant and underutilized property with mixed-(commercial/residential) use development may cause increased demand for services and/or capital improvements to be provided by these taxing jurisdictions. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Cook County. The replacement of vacant and underutilized property with mixed use development may introduce new residents to the Project Area who may generate increased demand for the services and programs provided by the County. However, it is likely that the majority of new residents in the Project Area will relocate from other parts of Cook County, and the increase in demand for services provided by Cook County is not expected to be significant. The City will work with the County to address any increase that does arise.

Cook County Forest Preserve District. The replacement of underutilized properties with mixed use development may increase the population within the Project Area. However, the majority of new residents in the Project Area will likely relocate from other parts of the Forest Preserve jurisdiction, so that demand for recreational services and programs provided by the Forest Preserve District is not expected to increase in a significant fashion. However, the City will work with the Forest Preserve District to address any increase that does arise.

Metropolitan Water Reclamation District Of Greater Chicago. The replacement of vacant and underutilized property with mixed use development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water

Reclamation District.

City Of Chicago. The replacement of vacant and underutilized property with mixed-use development is likely to cause increased demand for the services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, et cetera. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board Of Education Of The City Of Chicago And Associated Agencies. The replacement of vacant and underutilized properties with mixed use development may result in additional school-aged children in the Project Area. However, the number of new school children is expected to be inconsequential, and if the residential development is targeted toward seniors, the number of new schoolchildren may actually be zero (0). While the potential increase in school-aged children is not expected to be significant, the City will work with the Board of Education and the associated agencies to address any increase that does arise.

Chicago Community College District Number 508. The replacement of vacant and underutilized properties with mixed use development may result in an increase in population within the Project Area. Therefore, demand for educational services and programs provided by the community college district may increase, but this increase is not expected to be significant. However, the City will work with the Community College District to address any increase that does arise.

Chicago Park District. The replacement of underutilized properties with mixed use development may increase the population within the Project Area. As a result of this increase in population, demand for recreational services and programs provided by the Park District may also increase slightly. Therefore, the City will work with the Park District to address any increase that does arise.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Project fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

*IX.**Other Elements Of The Redevelopment Plan.***Conformance With Land Uses Approved By The Planning Commission Of The City.**

The Redevelopment Plan described herein includes land uses which will be approved by the City of Chicago as may be required by statute or City policy prior to the adoption of the Redevelopment Plan.

Date Of Completion.

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year following the year in which the ordinance approving this Project Area is adopted (by December 31, 2023).

Implementation Schedule.

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Project is no later December 31, 2023.

Provision For Amending The Redevelopment Plan.

The Redevelopment Plan may be amended pursuant to provisions of the Act.

Affirmative Action And Fair Employment Practices.

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment Plan:

1. The assurance of equal opportunity in all personnel and employment actions, including, but not limited to: hiring, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, et cetera, without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
2. Redevelopers will meet City of Chicago standards for participation of Minority Business Enterprises and Woman Business Enterprises, the City Resident Construction Worker Employment Requirement, and the prevailing wage requirements as required in redevelopment agreements.
3. This commitment to affirmative action will ensure that all memberS of the protected groups are sought out to compete for job openings and promotional opportunities.

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

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of gender, color, race or creed, et cetera. Neither party will countenance discrimination against any employee or applicant because of gender, marital status, national origin, age or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

Anyone involved with employment or contracting activities for this Redevelopment Plan and Project will be responsible for conformance with this policy and the compliance requirements of applicable city, state and Federal laws and regulations.

The City and the private developers involved in the implementation of the Redevelopment Plan and Project will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the Project Area. Any public/private partnership established for the development project in the Project Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition that successful affirmative action programs are important to the continued growth and vitality of the City of Chicago.

[Figure A referred to in this Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project constitutes Exhibit "E" to the ordinance and printed on page 25263 of this Journal.]

[Figures B, C, D and E referred to in this Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project printed on pages 25251 through 25254 of this Journal.]

Eligibility Study referred to in this Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project reads as follows:

*Peterson/Cicero Tax Increment
Financing Area Eligibility Study.*

October 11, 1999.

Introduction.

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (1996 State Bar Edition), as amended (the "Act"), stipulates specific procedures which must be adhered to in designating a Project Area. A redevelopment project area is defined as:

"...an area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(a) defines a "blighted area" as:

"...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of five or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land-use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have

been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose."

Determination of eligibility of the Peterson/Cicero Redevelopment Area (the "Project Area") for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County and the City of Chicago (the "City") against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation, which incorporates the definitions prepared by the Illinois Department of Revenue in its 1988 T.I.F. Guide, as revised April 6, 1989.

Teska Associates, Inc. has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Project Area under the Act; and (ii) the fact Teska Associates, Inc. has obtained the necessary information to conclude that the Project Area can be designated as a Project Area as defined by the Act.

The Project Area is eligible for designation as a "blighted area" based on the predominance and extent of parcels exhibiting the following characteristics: age, deterioration, depreciation of physical maintenance, obsolescence, and excessive vacancies. Under the Act, at least (5) five of fourteen (14) listed blighted area factors must be present in and reasonably distributed throughout the Project Area for it to be considered an improved blighted area. The Project Area is characterized by five (5) of the blighted area factors to a significant extent, and these factors are distributed throughout the Project Area. In addition, excessive land coverage, deleterious land-use or layout, and lack of community planning are present to a minor extent.

Description Of The Project Area.

The Project Area consists of eight (8) parcels of land at the northwest corner of Peterson Street and Cicero Avenue, and the adjacent public rights-of-way. The Project Area contains five (5) structures: a vacant gas/service station, a vacant

motel, a car wash, a small office building (the Burgess Building), and a second (2nd) office building owned by a cultural organization (Polish National Alliance). The boundaries enclose approximately four and eight-tenths (4.8) acres of land within one (1) legal block. Figure 1 delineates the precise boundaries of the Project Area.

Eligibility Findings.

T.A.I. conducted a field survey of the subject properties in July 1999. Based on an inspection of the improvements and grounds, field notes were taken which recorded the condition of the parcels. Photographs further document the observed conditions. Additional research was conducted at the Cook County Treasurer's Office and the City Building Department regarding tax delinquency, building code violations, and building permits.

If five (5) of the fourteen (14) blighting conditions enumerated below are found to be widespread among the improved property within the Project Area, then the Project Area will qualify as a blighted improved area. Figure 2 illustrates the blighting factors which are present in the Project Area.

Age Of Buildings.

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the foundations and other structures within the Project Area, four (4) out of five (5) buildings in the Project Area (eighty percent (80%)) are in excess of thirty-five (35) years old. Age is therefore a major contributing factor in the designation of the Project Area.

Dilapidation.

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components root, bearing walls, floor structure, and foundation, building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major

repair is required or; (ii) the defects are so serious and extensive that the buildings must be removed.

No structures in the Project Area are characterized by this extreme physical state. Dilapidation is not a contributing factor toward the designation of the Project Area.

Deterioration.

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration Of Buildings.

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, et cetera), and major defects in primary building components (e.g., foundations, frames, roofs, et cetera), respectively.

Deterioration occurs in three (3) of the five (5) structures (sixty percent (60%)) in the Project Area: the vacant gas/service station, the vacant motel, and the car wash. Both the gas station and the motel are highly visible from the adjacent arterial roadways, and from the Edens Expressway. The obvious presence of such substantial deterioration inhibits reinvestment of the entire Project Area, such that deterioration of buildings is a major contributing factor toward the designation of the Project Area.

Deterioration Of Surface Improvements.

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

Every property in the Project Area is characterized by deteriorated surface improvements. The most widespread examples are seriously cracked and broken pavement on driveways, parking areas, steps, and curbs, and the complete lack of maintenance of any site landscaping. This widespread presence of deteriorated surface improvements is a major contributing factor to an overall blighted appearance in the entire Project Area.

Deterioration, both of structures and of surface improvements, is therefore a major factor in the designation of the Project Area.

Depreciation Of Physical Maintenance.

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair.

All five (5) of the buildings in the Project Area exhibit depreciation of physical maintenance. Peeling paint, rotting wood, bent or broken fascia and soffits, broken or boarded windows, and cracks in walls are the most prevalent examples. Given the extent of this characteristic throughout the Project Area, depreciation of physical maintenance is a major factor in the designation of the Project Area.

Obsolescence.

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use -- not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub-categories:

Functional Obsolescence.

Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, et cetera, which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Two (2) parcels in the Project Area, the vacant gas/service station and the vacant motel, are functionally obsolete. These two (2) parcels comprise the majority of the land area and the most prominent portions of the study area. Both have been abandoned due in part to the fact that the structure is no longer viable for the intended use. Neither have been re-used or re-occupied, suggesting that functional obsolescence is inhibiting investment.

Obsolete Site Improvements.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, et cetera, may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, et cetera.

The site improvements associated with the vacant gas/service station and the motel are obsolete. Modern circulation and parking standards are not met. In addition, the car wash does not provide adequate stacking spaces for vehicles exiting the car wash. Inadequate exit area forces many vehicles to be dried and polished on the neighboring motel site. On all three (3) of these properties, obsolescence inhibits reinvestment.

Obsolete Platting.

Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete.

Obsolete site platting is found on seven (7) of the eight (8) parcels (eighty-eight percent (88%)) in the Project Area. The area contains several triangular or other odd-shaped parcels, which would be extremely difficult to independently redevelop in a coherent manner.

Overall, the Project Area shows a significant degree of all three (3) types of obsolescence, with every property displaying at least one (1) type. Further, even if the number of parcels exhibiting particular types of obsolescence is small, the parcels which are affected are highly visible, causing a disproportionately large blighting effect. Obsolescence is a major factor in the designation of the Project Area.

Illegal Use Of Individual Structures.

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- illegal home occupations;
- conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- uses in violation of national, state or local environmental and occupational safety and health regulations;
- uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey conducted by Teska Associates did not find evidence of illegal uses in the Project Area. Illegal uses are not a major factor in the designation of the Project Area.

Presence Of Structures Below Minimum Code Standards.

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Since 1994, both the Polish National Alliance building and the Edens Car Wash have been cited for code violations by the City. However, the limited occurrence of these violations, and the fact that the violations are not current, indicates that the presence of structures below minimum code standards is not a significant problem in the Project Area. Therefore, the presence of structures below minimum code standards does not contribute to the designation of the Project Area.

Excessive Vacancies.

Establishing the presence of this factor requires the identification, documentation and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Both the gas/service station and the motel are vacant, and have been so for a number of years. Given their accessible and highly visible location, the vacancies in these two (2) structures have an extremely negative impact upon the entire Project Area, as well as surrounding properties. The extent and length of vacancies suggest that private investment is severely inhibited. Excessive vacancies is a major factor in the designation of the Project Area.

Overcrowding Of Structures And Community Facilities.

Overcrowding of structures refers to the overutilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. The Project Area does not exhibit any instances of overcrowding. Therefore, overcrowding does not contribute to the designation of the Project Area.

Lack Of Ventilation, Light Or Sanitary Facilities.

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (B.O.C.A.), and the Model Housing Code of the American Public Health Association (A.P.H.A.). Lack of ventilation, light or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees or visitors.

Typical requirements for ventilation, light and sanitary facilities include:

- adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;

- adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces and proper window sizes and amounts by room area to window area ratios;
- adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water and kitchens; and
- adequate ingress and egress to and from all rooms and units.

None of the buildings in the Project Area display a lack of adequate light and ventilation, although the vacant motel is completely boarded-up. Certainly, ventilation would have to be re-established in the unlikely event that the building was re-occupied. However, this factor does not significantly contribute to blighting conditions within the Project Area as a whole. Lack of ventilation, light or sanitary facilities is therefore not a major factor in the designation of the Project Area.

Inadequate Utilities.

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas; and (ii) deteriorated, antiquated, obsolete or in disrepair or are lacking.

While the condition of inadequate utilities has not been documented as part of the surveys and analyses undertaken within the Project Area, existing utilities may need to be relocated or upgraded to adequately serve new development. Inadequate utilities is not a major factor in the designation of the Project Area.

Excessive Land Coverage.

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close

proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice and contemporary development standards.

The sites within the study area are completely covered by buildings or asphalt. The absence of open space or site landscaping contributes to the sense of blight and decay. Certainly, these properties do not meet common contemporary standards for site development. However, excessive site coverage does not appear to make a significant contribution to the blighting of the site, and therefore can be considered only a minor factor in the designation of the Project Area.

Deleterious Land-Use Or Layout.

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

One (1) property, the car wash, is characterized by a deleterious land-use and layout. The site layout does not allow for the appropriate function of the car wash, and its dysfunction is likely to spill off the site, affecting the function and marketability of adjacent sites. This layout poses circulation and safety hazards. However, because this problem occurs on only one (1) parcel, deleterious land-use and layout is only a minor factor in the designation of the Project Area.

Lack Of Community Planning.

This may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the development of the area. This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision and parcels of inadequate size or shape to meet contemporary development standards.

The Project Area did develop without the guidance of a community plan. However, there is a concerted planning effort directed towards the redevelopment of the Project Area today. Therefore, lack of community planning can be considered only a minor factor in the designation of the Project Area.

Conclusion.

The Project Area as a whole qualifies as a blighted area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following major characteristics (see Figure 2):

1. Age.
2. Deterioration of buildings and surface improvements.
3. Depreciation of physical maintenance.
4. Obsolescence.
5. Excessive vacancies.

Further, the Project Area is characterized by the following factors to a minor extent:

1. Excessive land coverage.
2. Deleterious land-use and layout.
3. Lack of community planning.

The presence of these factors is detrimental to the public health, safety and welfare, and contributes to the eligibility of the Project Area as a blighted area (see Table E-1). All of these characteristics point to the need for designation of the Project Area, to be followed by public intervention in order that redevelopment might occur.




[Figure 1 referred to in this Peterson/Cicero Tax
Increment Financing Area Eligibility Study
constitutes Exhibit "E" to the ordinance
and printed on page 25263
of this Journal.]

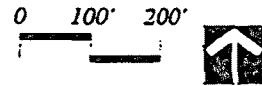
[Figure 2 and Table E-1 referred to in this Peterson/Cicero
Tax Increment Financing Area Eligibility Study
printed on pages 25255 through 25256
of this Journal.]

Figure B.
(To Peterson/Cicero Tax Increment Financing
Redevelopment Area Plan And Project)

Existing Land-Use.

**Peterson/Cicero
Redevelopment Area
Figure B: Existing Land Use**

-  Project Area Boundary
-  Commercial
-  Right-of-Way



October 7, 1999

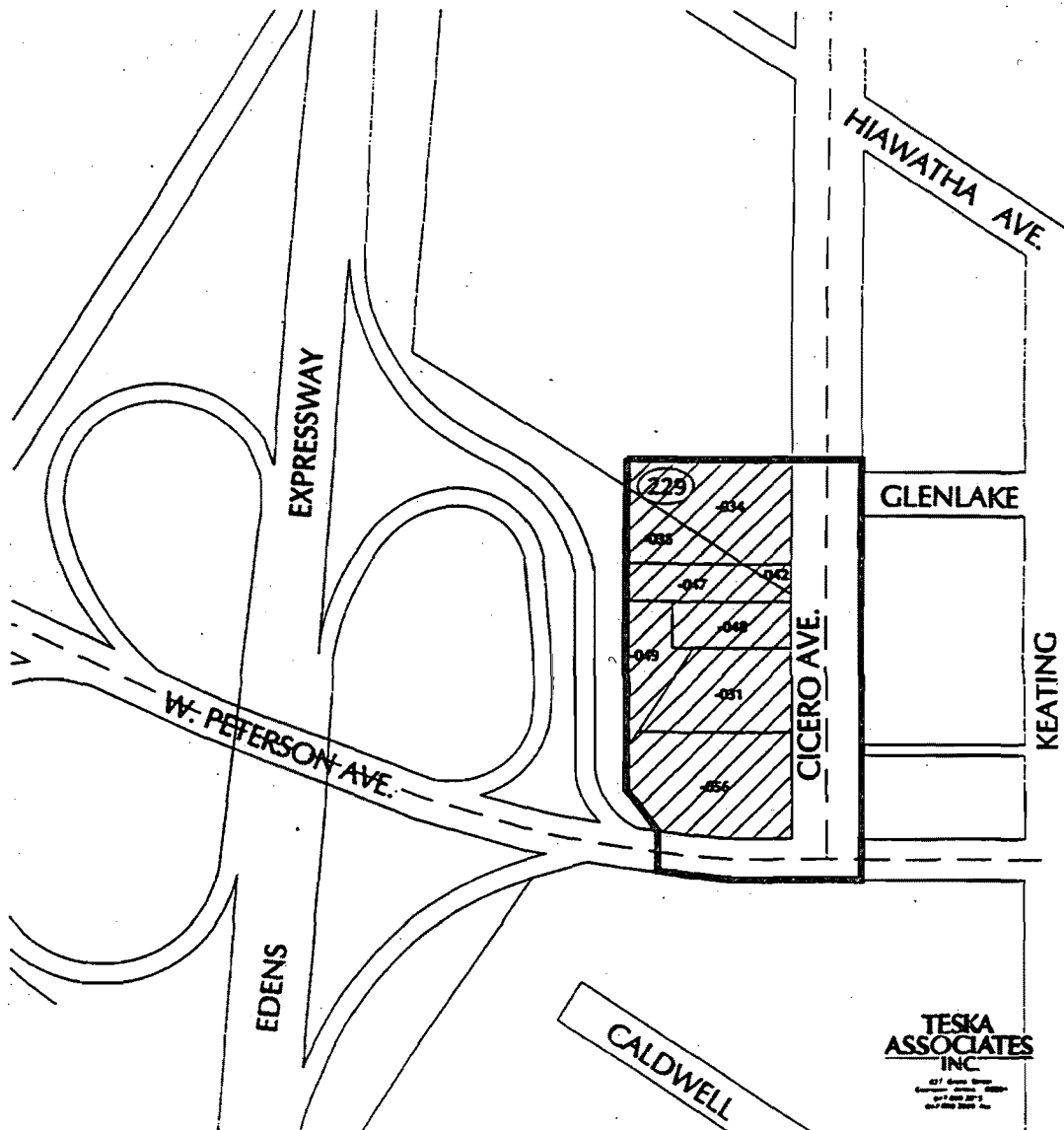
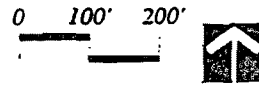


Figure C.
(To Peterson/Cicero Tax Increment Financing
Redevelopment Area Plan And Project)

Proposed Land-Use.

Peterson/Cicero
Redevelopment Area
Figure C: Proposed Land Use

- Project Area Boundary
- Right-of-Way
- ◻ Mixed Use Commercial and Residential



October 7, 1999

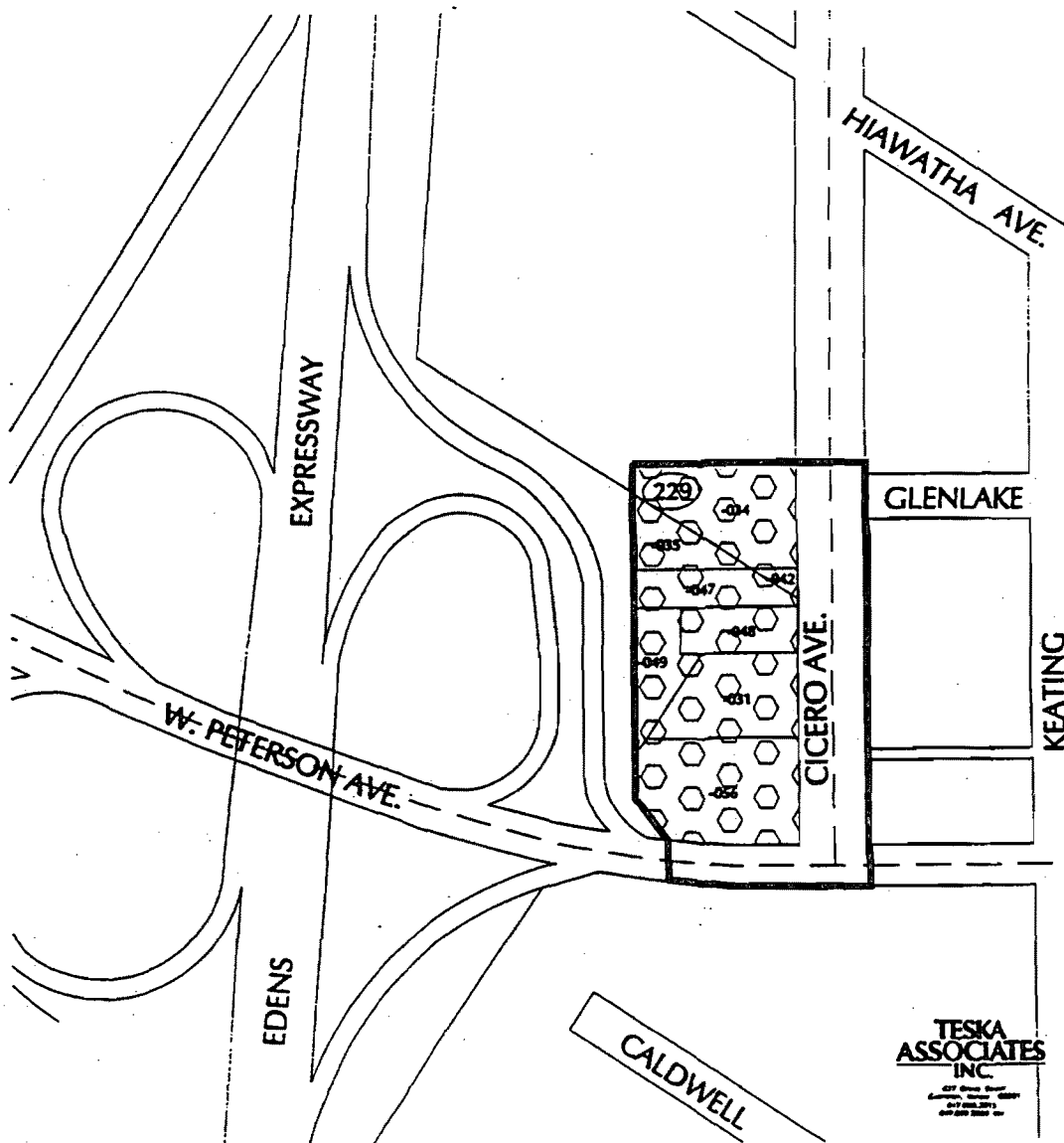
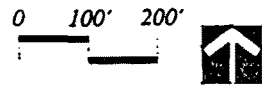


Figure D.
(To Peterson/Cicero Tax Increment Financing
Redevelopment Area Plan And Project)

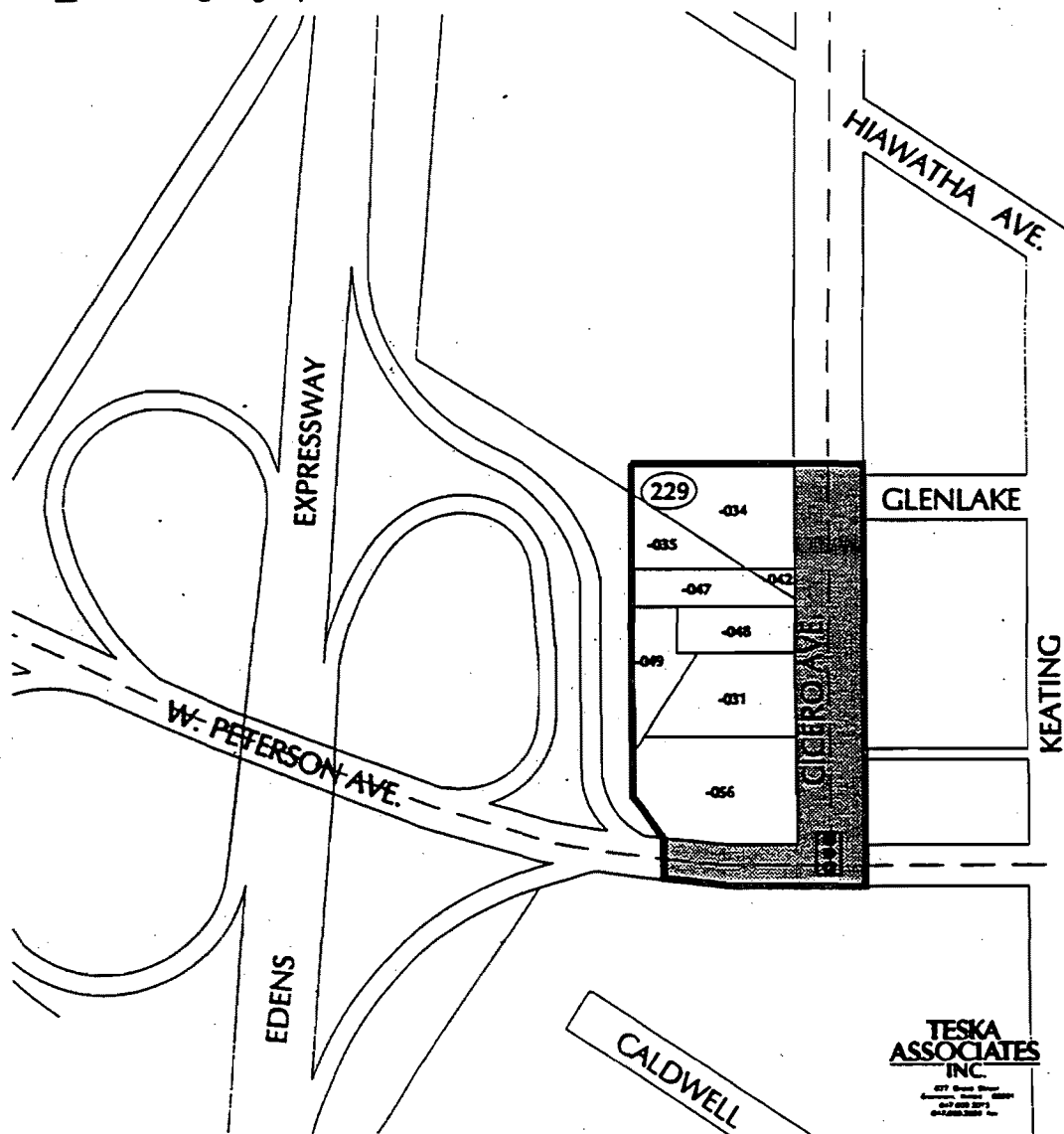
Redevelopment Activities.

Peterson/Cicero
Redevelopment Area
Figure D: Redevelopment Activities

-  Project Area Boundary
-  Traffic Lighting Improvements
-  Redevelopment Site
-  Streetscape



October 7, 1999



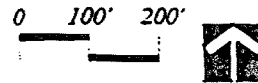
TESKA ASSOCIATES INC.
 277 Grand Street
 Chicago, Illinois 60601
 (312) 467-2000
 (312) 467-2001

Figure E.
(To Peterson/Cicero Tax Increment Financing
Redevelopment Area Plan And Project)

Land Acquisition Overview Map.

Peterson/Cicero
Redevelopment Area
Figure E: Land Acquisition Overview Map

- Project Area Boundary
- Properties to be acquired



November 30, 1999

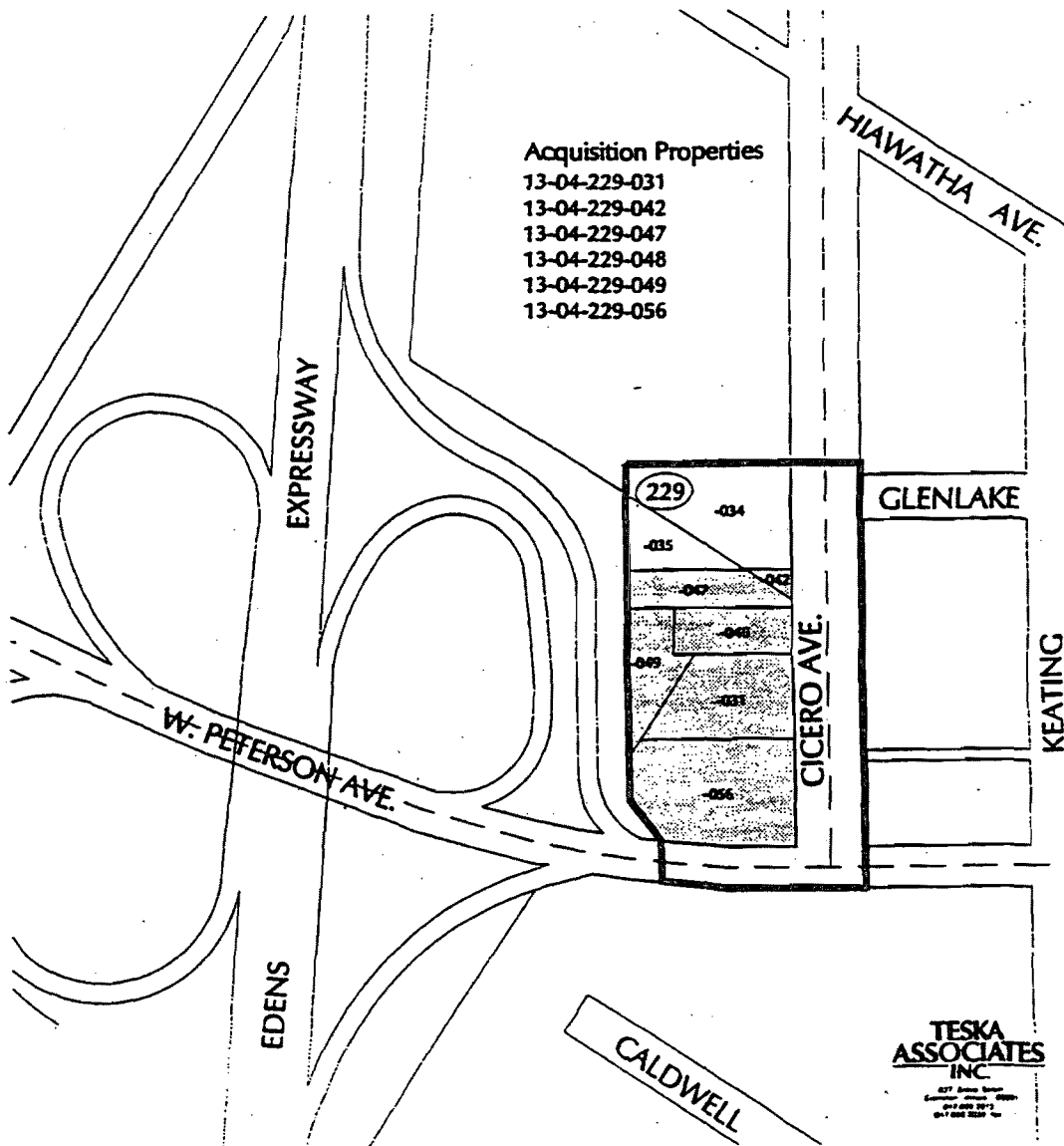


Figure 2.
(To Peterson/Cicero Tax Increment Financing
Area Eligibility Study)

Distribution Of Blighting Factors.

**Peterson/Cicero
Redevelopment Area**

Figure 2: Distribution of Blighted Factors

- Age: Age over 35 years
- Depr: Depreciation of Physical Maintenance
- Deter: Deterioration of Buildings and/or Surface Improvements
- Obs: Obsolescence
- Vac: Excessive Vacancies
- Cov: Excessive Land Coverage
- Delet: Deleterious Land Use or Layout
- Plan: Lack of Community Planning

0 100' 200'



OCTOBER 5, 1999

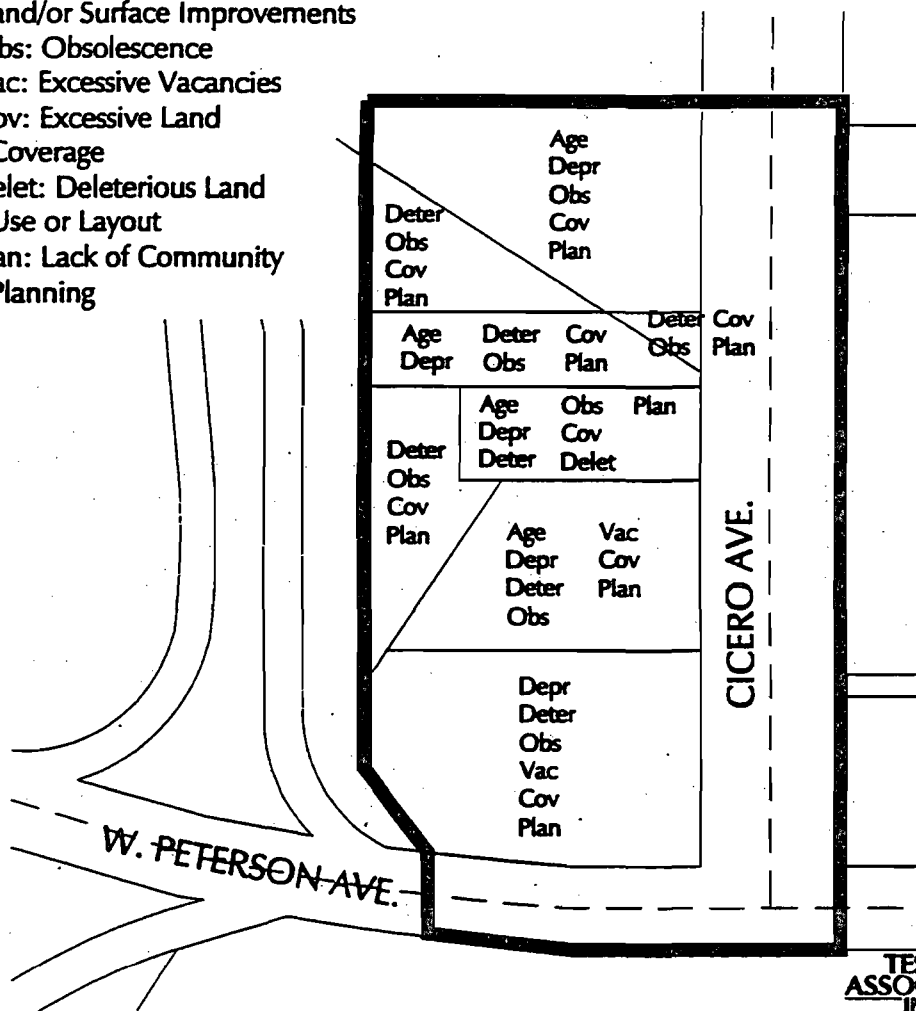


Table E-1.
 (To Peterson/Cicero Tax Increment Financing
 Area Eligibility Study)

Summary Of Blighting Factors.

	Building Condition				Obsolescence														Number of Parcels	
	Age Over 35 Years	Dilapidation	Deterioration	Depreciation of Phys. Main.	Deteriorated Site Improvements	Functional Obsolescence	Obsolete Site Improvements	Obsolete Platting	Contains at Least One Obs. Char.	Illegal Use	Below Code	Abandoned	Excessive Vacancies	Overcrowded	Lack of Ventilation/Sanitary	Inadequate Utilities	Excessive Coverage	Deleterious Use/Layout		Lack of Planning
Number of Parcels Displaying Characteristic	4	0	3	5	8	2	3	7	8	0	2	0	2	0	0	0	0	1	0	8
% of buildings	80%	0%	60%	100%		40%				0%	40%	0%	40%	0%	0%					
% of all parcels					100%		38%	88%	100%							0%	0%	13%	0%	100%
Number of Blocks Displaying Characteristic	1	0	1	1	1	1	1	1	1	0	1	0	1	0	0	0	0	1	0	1
% of all blocks	100%	0%	100%	100%	100%	100%	100%	100%	100%	0%	100%	0%	100%	0%	0%	0%	0%	100%	0%	100%

*Exhibit "B".
(To Ordinance)*

*Community Development Commission
Of The
City Of Chicago*

Resolution 99-CDC-245

*Recommending To
The City Council Of The City Of Chicago*

*For The Proposed
Peterson/Cicero Redevelopment Project Area:*

*Approval Of A Redevelopment Plan,
Designation Of A Redevelopment Project Area*

And

Adoption Of Tax Increment Allocation Financing.

Whereas, The Community Development Commission (the "Commissions") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1993) (the "Act"); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the Peterson/Cicero area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a

redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented to the Commission for its review the Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project (the "Plan") (which has as an exhibit the Peterson/Cicero Tax Increment Financing Area Eligibility Study (the "Report")); and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.4-6 of the Act; and

Whereas, The Plan (with the Report attached thereto) was made available for public inspection and review prior to the adoption by the Commission of Resolution 99-CDC-213 on October 12, 1999 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the Hearing by publication was given at least twice, the first (1st) publication being on November 17, 1999, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second (2nd) publication being on November 18, 1999, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on November 15, 1999, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A. and all Board members, on October 15, 1999, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan (with the Report attached thereto) were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on October 15, 1999, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice was sent to all taxpayers of record for properties proposed to be acquired by certified mail and regular mail on June 28, 1999 and August 24, 1999, these dates being at least fourteen (14) days prior to the C.D.C. meeting at which the Plan will be considered. The notice included the names of two (2) D.P.D. contact personnel and stated that a "service desk" will be available one (1) hour prior to the time of the meeting at the entrance of City Council Chambers, 2nd Floor, 121 North LaSalle Street; and

Whereas, The Hearing was held on December 7, 1999 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on October 29, 1999 at 10:00 A.M. (being a date no more than fourteen (14) days following the mailing of the notice to all taxing districts on October 15, 1999) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Commission has reviewed the Plan (with the Report attached thereto), considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

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

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not more than twenty-three (23) years from the date of the adoption of the ordinance approving the designation of the Area as a redevelopment project area, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years; and

d. the Area would not reasonably be expected to be developed without the use of incremental revenues pursuant to the Act, and such incremental revenues will be exclusively utilized for the development of the Area; and

e. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefited by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act; and

f. as required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) the Area is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a conservation area as defined in the Act.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: December 7, 1999.

[(Sub)Exhibit "A" referred to in this Resolution 99-CDC-245
unavailable at time of printing.]

Exhibit "C".
(To Ordinance)

Peterson/Cicero Redevelopment Project Area.

That part of the east half of the southeast quarter and the east half of the northeast quarter of Section 4 and the west half of the southwest quarter and the west half of the northwest quarter of Section 3, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the northwest corner of land having a Permanent Index Number 13-04-229-034 in said east half of the northeast quarter of Section 4; thence southward along the west line of said land and also along the west lines of the land having Permanent Index Numbers 13-04-229-035, 047, 049 and 056 to a point 50 feet north of the north line of 100 foot wide West Peterson Avenue; thence southeasterly along the southwesterly line (extended southeasterly) of said land having Permanent Index Number 13-04-229-056 to the north line of said 100 foot wide West Peterson Avenue; thence southward across the said West Peterson Avenue along a line (extended south) parallel with the west line of said land having a Permanent Index Number 13-04-229-056 to the south line of said West Peterson Avenue; thence eastward along the said south line of West Peterson Avenue to the east line of North Cicero Avenue; thence northward along the east line of said North Cicero Avenue to the north line (extended east) of said land having a Permanent Index Number 13-04-229-034; thence westward along the north line (extended east) of said land having a Permanent Index Number 13-04-229-034 to the point of beginning, all in the City of Chicago, Cook County, Illinois.

Exhibit "D".
(To Ordinance)

Street Location Of The Area.

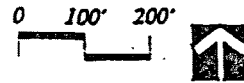
The Area is generally bounded by an improved property currently known as the headquarters of the Polish National Alliance, with the common address of 6100 West Cicero Avenue on the north (at approximately West Glenlake Avenue); the Eden's Expressway (I-94) on the west; West Peterson Avenue on the south; and North Cicero Avenue on the east.

Exhibit "E".
(To Ordinance)

Map Of The Area.

Peterson Cicero
Redevelopment Area
Figure A: Project Area Boundary
— Project Area Boundary

MAP OF THE AREA



SEPTEMBER 24, 1999

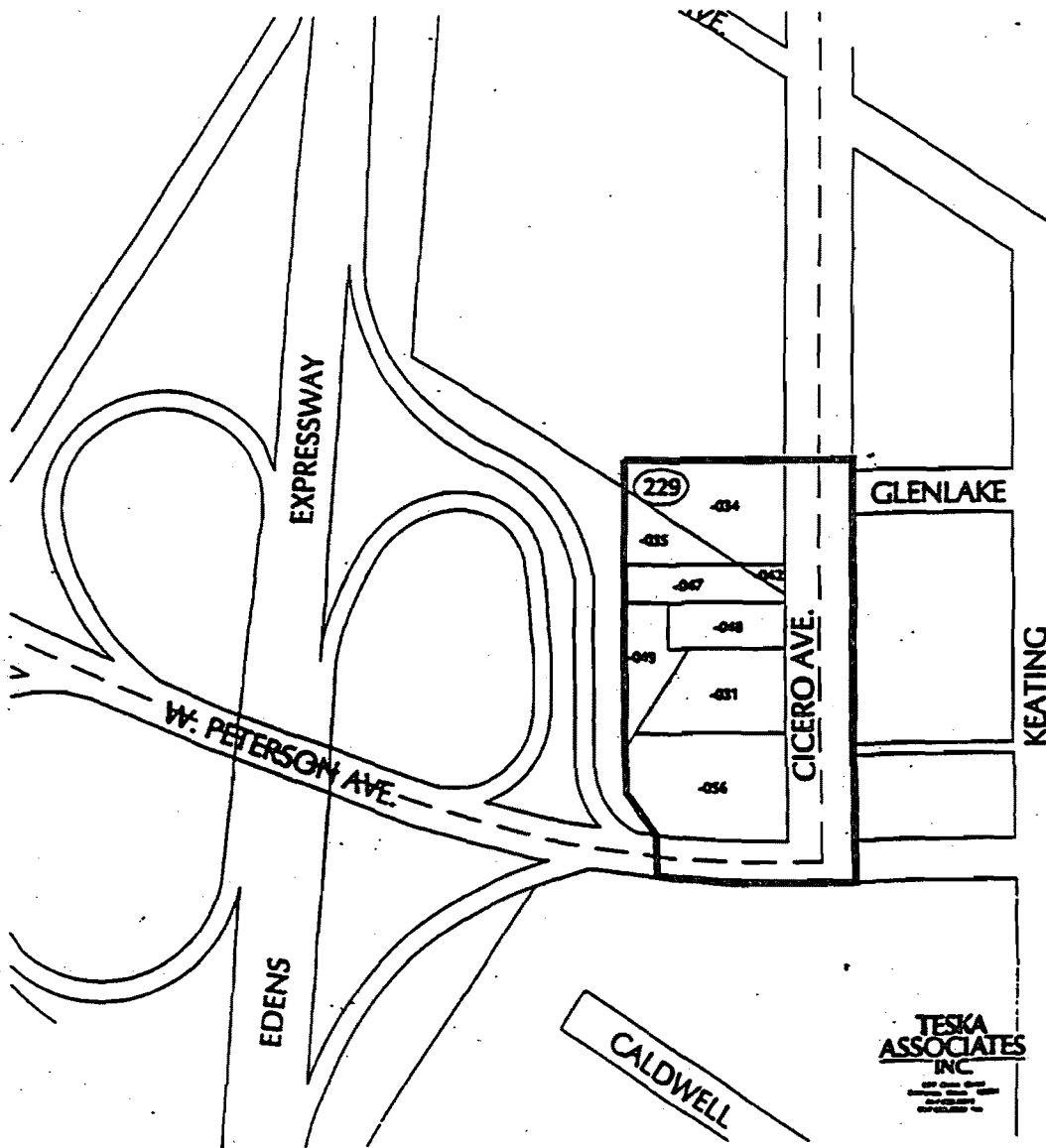


Exhibit "F".
(To Ordinance)

Notice Of Correction.

Proposed Peterson/Cicero Redevelopment Project
Area Tax Increment Finance Program.

"Notice Of Correction Of The Redevelopment Plan And Project".

Notice is hereby given by the City of Chicago of corrections to the proposed Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project (the "Plan"), which includes the Peterson/Cicero Tax Increment Financing Area Eligibility Study, as an exhibit. The Plan was considered by the Community Development Commission of the City on December 7, 1999, pursuant to Section 5/11-74.4-4 of the Illinois Tax increment Allocation Redevelopment Act, as amended, 65 ILCS Section 5/11-74.4-1, et seq. (the "Act"). The Plan is hereby corrected as follows:

1. The cover page of the Plan is hereby amended by inserting "Revised as of January 19, 2000" on the line below "October 11, 1999".
2. The footer of each page of the Plan is hereby amended by replacing the date of "October 11, 1999" with the date of "January 19, 2000".
3. Table P-2, Acquisition Parcels by Block and Parcel Identification Number, located on page 13*, is hereby amended by removing the following two (2) Parcel Numbers and corresponding addresses:

13-04-229-034	6038 North Cicero Avenue
13-04-229-035	6038 North Cicero Avenue

* Table P-2, Acquisition Parcels by Block and Parcel Identification Number, referred to in this Notice of Correction printed on page 25224 of this Journal.

4. Figure E: Land Acquisition Overview Map is hereby amended by 1) removing the following two (2) parcel numbers from the list of parcel numbers in the middle of the page under the heading of "Acquisition Properties"; and by 2) removing the shading on the following two (2) parcel numbers which are the two (2) most northerly parcels within the group of parcels that are within a dark black boundary located along the west side of North Cicero Avenue and north of West Peterson Avenue:

13-04-229-034

13-04-229-035

The corrected Plan has been available for public inspection and review since January 19, 2000 at the Office of the City Clerk, Room 107, 121 North LaSalle Street, Chicago, Illinois or the Department of Planning and Development, 10th Floor, 121 North LaSalle Street, Chicago, Illinois. If you wish to review the Plan, or obtain further information concerning the Plan or the corrections of the Plan, please contact Irene Espinosa, at the Department of Planning and Development, Room 1107, 121 North LaSalle Street, Chicago, Illinois, (312) 744-4456 during the hours of 9:00 A.M. until 5:00 P.M., Monday through Friday.

Christopher R. Hill, Commissioner
Department of Planning and Development
City of Chicago

[(Sub)Exhibit 1 attached to this Notice of Correction constitutes Exhibit "C" to the ordinance and printed on page 25270 of this Journal.]

[(Sub)Exhibit 2 attached to this Notice of Correction constitutes Exhibit "D" to the ordinance and printed on page 25262 of this Journal.]

[(Sub)Exhibit 3 attached to this Notice of Correction constitutes Table P-2 to the Peterson/Cicero Tax Increment Financing Redevelopment Area Plan and Project and printed on page 25224 through of this Journal.]

STATE OF ILLINOIS, }
County of Cook. } ss.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office for the authorization for approval of Tax Increment Redevelopment Plan for Peterson/Cicero redevelopment Project Area.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the sixteenth (16th) day of February, A.D. 2000 and deposited in my office on the sixteenth (16th) day of February, A.D. 2000.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit: Yeas 49, Nays None.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor did approve and sign the said ordinance on the sixteenth (16th) day of February, A.D. 2000.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this twenty-fourth (24th) day of March, A.D. 2000.

[L. S.]

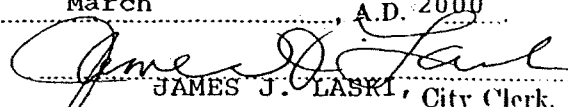

JAMES J. LASKI, City Clerk.

EXHIBIT C-2

REDEVELOPMENT AREA

(To be attached at Closing)

Exhibit "C".
(To Ordinance)

Peterson/Cicero Redevelopment Project Area.

That part of the east half of the southeast quarter and the east half of the northeast quarter of Section 4 and the west half of the southwest quarter and the west half of the northwest quarter of Section 3, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the northwest corner of land having a Permanent Index Number 13-04-229-034 in said east half of the northeast quarter of Section 4; thence southward along the west line of said land and also along the west lines of the land having Permanent Index Numbers 13-04-229-035, 047, 049 and 056 to a point 50 feet north of the north line of 100 foot wide West Peterson Avenue; thence southeasterly along the southwesterly line (extended southeasterly) of said land having Permanent Index Number 13-04-229-056 to the north line of said 100 foot wide West Peterson Avenue; thence southward across the said West Peterson Avenue along a line (extended south) parallel with the west line of said land having a Permanent Index Number 13-04-229-056 to the south line of said West Peterson Avenue; thence eastward along the said south line of West Peterson Avenue to the east line of North Cicero Avenue; thence northward along the east line of said North Cicero Avenue to the north line (extended east) of said land having a Permanent Index Number 13-04-229-034; thence westward along the north line (extended east) of said land having a Permanent Index Number 13-04-229-034 to the point of beginning, all in the City of Chicago, Cook County, Illinois.

Exhibit "D".
(To Ordinance)

Street Location Of The Area.

The Area is generally bounded by an improved property currently known as the headquarters of the Polish National Alliance, with the common address of 6100 West Cicero Avenue on the north (at approximately West Glenlake Avenue); the Eden's Expressway (I-94) on the west; West Peterson Avenue on the south; and North Cicero Avenue on the east.

EXHIBIT D

CONSTRUCTION CONTRACT

(To be attached at Closing)

AIA[®] Document A111[™] – 1997

Standard Form of Agreement Between Owner and Contractor

where the basis for payment is the COST OF THE WORK PLUS A FEE with a negotiated Guaranteed Maximum Price

AGREEMENT made as of the 10th day of January in the year Two Thousand and Five

(In words, indicate day, month and year)

BETWEEN the Owner:

(Name, address and other information)

Peterson Cicero L.L.C
c/o Brook-Ridge Development
1141 E. Main Street, Suite 202
East Dundee, IL 60018

and the Contractor:

(Name, address and other information)

W.E. O'Neil Construction Company
2751 N. Clybourn Avenue
Chicago, Illinois 60614

The Project is:

(Name and location)

Sauganash Place Condominiums
6000 N. Cicero
Chicago, IL 60646

The Architect is:

(Name, address and other information)

Pappageorge Haymes Ltd.
814 N. Franklin Street, Suite 400
Chicago, IL 60610
Telephone Number: 312-337-3344
Fax Number: 312-337-8009

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 15. If anything in the other Contract Documents is inconsistent with this Agreement, this Agreement shall govern.

ARTICLE 2 THE WORK OF THIS CONTRACT

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

ARTICLE 3 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor's skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 4.1 The date of commencement of the Work shall be ~~the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.~~
(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

Conditions precedent to issuing a Notice to Proceed shall be a fully executed contract, issuance of all permits and evidence of financing in accordance with Article 14.6.2.

If, prior to commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

§ 4.2 The Contract Time shall be measured from the date of commencement.

§ 4.3 The Contractor shall achieve Substantial Completion of the entire Work not later than 486 days from the date of commencement, ~~or as follows:~~ and as shown in Exhibit A.
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

Portion of Work

Substantial Completion date

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

(Insert provisions, if any, for liquidated damages relating to failure to complete on time, or for bonus payments for early completion of the Work.)

Subject to Article 14.6.3

ARTICLE 5 BASIS FOR PAYMENT

§ 5.1 CONTRACT SUM

§ 5.1.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor's Fee.

§ 5.1.2 The Contractor's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee, and describe the method of adjustment of the Contractor's Fee for changes in the Work.)

3% of the Cost of Work

§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed Twenty-one Million Four Hundred Seventeen Thousand Six Hundred Ninety-Five Dollars and Zero Cents (\$ 21,417,695.00), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner. The Guaranteed Maximum Price is as described in Exhibit B, and D.

(Insert specific provisions if the Contractor is to participate in any savings.)

Any savings to the Guaranteed Maximum Price to be split 50%/ 50% between Owner and Contractor.

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

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

§ 5.2.3 Unit prices, if any, are as follows:

Description	Units	Price (\$ 0.00)
-------------	-------	-----------------

§ 5.2.4 Allowances, if any, are as follows: Refer to Exhibit C Allowances.

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

Allowance	Amount (\$ 0.00)	Included items
-----------	------------------	----------------

§ 5.2.5 Assumptions, if any, on which the Guaranteed Maximum Price is based are as follows:

1. Clarifications - Refer to Exhibit D.
2. General Conditions are included as a Lump Sum of \$839,836 and described in Exhibit F, subject to adjustment by Change Orders.

§ 5.2.6 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Contractor has provided in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

ARTICLE 6 CHANGES IN THE WORK

§ 6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201-1997.

§ 6.2 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201-1997 and the terms "costs" and "a reasonable allowance for overhead and profit" as used in Section 7.3.6 of AIA Document A201-1997 shall have the meanings assigned to them in AIA Document A201-1997 and shall not be modified by Articles 5, 7

and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201-1997 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as defined in Section 5.1.2 of this Agreement.

§ 6.4 If no specific provision is made in Section 5.1 for adjustment of the Contractor's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1 will cause substantial inequity to the Owner or Contractor, the Contractor's Fee shall be equitably adjusted on the basis of the Fee established for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COSTS TO BE REIMBURSED

§ 7.1 COST OF THE WORK

The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

§ 7.2 LABOR COSTS

§ 7.2.1 Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site with the Owner's approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Contractor's principal or other offices shall be included in the Cost of the Work, identify in Article 14 the personnel to be included and whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

See Article 14.6.1 for list of Personnel whose salaries/wages to be included in the Cost of the Work.

§ 7.2.3 Wages and salaries of the Contractor's supervisory or administrative personnel engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

Contractor's union and non-union personnel shall include a mark-up of 55% applied to actual salaries and hourly rates for unemployment insurance, FICA, FUTA, SUTA, Workmen's Compensation and General Expense.

§ 7.3 SUBCONTRACT COSTS

§ 7.3.1 Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts.

§ 7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

§ 7.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

§ 7.5.1 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

§ 7.5.3 Costs of removal of debris from the site.

§ 7.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 7.5.5 That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the Owner.

§ 7.6 MISCELLANEOUS COSTS

§ 7.6.1 That portion of insurance and bond premiums that can be directly attributed to this Contract:

General Liability Insurance shall be billed at \$9,300 per \$1,000,000 of contract value. The cost of Payment and Performance Bonds for all subcontracts over \$100,000 as described in Section 14.6.10.

§ 7.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work.

§ 7.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-1997 or other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17.1 of AIA Document A201-1997 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 7.6.6 Data processing costs related to the Work.

§ 7.6.7 Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Contract Documents.

§ 7.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Contractor, reasonably incurred by the Contractor in the performance of the Work and with the Owner's prior written approval; which approval shall not be unreasonably withheld.

§ 7.6.9 Expenses incurred in accordance with the Contractor's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, if approved by the Owner.

§ 7.7 OTHER COSTS AND EMERGENCIES

§ 7.7.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

§ 7.7.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.6 of AIA Document A201-1997.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include:

§ 8.1.1 Salaries and other compensation of the Contractor's personnel stationed at the Contractor's principal office or offices other than the site office, except as specifically provided in Sections 7.2.2 and 7.2.3 or as may be provided in Article 14.

§ 8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

§ 8.1.3 Overhead and general expenses, except as may be expressly included in Article 7.

§ 8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

§ 8.1.5 Rental costs of machinery and equipment, except as specifically provided in Section 7.5.2.

§ 8.1.6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

§ 8.1.7 Any cost not specifically and expressly described in Article 7.

§ 8.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

§ 9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

§ 10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The Owner may designate specific persons or entities from whom the Contractor shall obtain bids. The Contractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Contractor and the

Architect, which bids will be accepted. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

§ 10.2 If a specific bidder among those whose bids are delivered by the Contractor to the Architect (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 10.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

ARTICLE 11 ACCOUNTING RECORDS

The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, and the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded access to, and shall be permitted to audit and copy, the Contractor's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract, and the Contractor shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 12 PAYMENTS

§ 12.1 PROGRESS PAYMENTS

§ 12.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

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

§ 12.1.3 Provided that an Application for Payment is received by the Architect not later than the First day of a month, the Owner shall make payment to the Contractor not later than the Twentieth day of the that month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than Twenty (20) days after the Architect receives the Application for Payment.

§ 12.1.4 With each Application for Payment, the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor; less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ 12.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

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

- .1 take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201-1997;
- .2 add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 add the Contractor's Fee, less retainage of Ten percent (10.00%).The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Subparagraph, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work in the two preceding Clauses bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 subtract the aggregate of previous payments made by the Owner;
- .5 subtract the shortfall, if any, indicated by the Contractor in the documentation required by Section 12.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and
- .6 subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-1997.

§ 12.1.8 Except with the Owner's prior approval, payments to Subcontractors shall be subject to retainage of not less than Ten percent (10.00%). The Owner and the Contractor shall agree upon a mutually acceptable procedure for review and approval of payments and retention for Subcontractors.

§ 12.1.9 In taking action on the Contractor's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 12.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

§ 12.1.10 OTHER PAYMENT TERMS

1. A ten percent (10%) retention shall be held until the project is fifty (50%) complete and then no further retention shall be withheld.
2. Owner shall review Subcontractors who complete work early in the schedule (i.e. Demolition, Excavation, Concrete, Steel, etc.) on a case by case basis for an early release of their retention.
3. Upon Substantial Completion of the work retention shall be reduced to 2%.

§ 12.2 FINAL PAYMENT

§ 12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and

.2 a final Certificate for Payment has been issued by the Architect.

§ 12.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 12.2.3 The Owner's accountants will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Section 12.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's accountants, either issue to the Owner a final Certificate for Payment with a copy to the Contractor, or notify the Contractor and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-1997. The time periods stated in this Section 12.2.3 supersede those stated in Section 9.4.1 of the AIA Document A201-1997.

§ 12.2.4 If the Owner's accountants report the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to demand arbitration of the disputed amount without a further decision of the Architect. Such demand for arbitration shall be made by the Contractor within 30 days after the Contractor's receipt of a copy of the Architect's final Certificate for Payment; failure to demand arbitration within this 30-day period shall result in the substantiated amount reported by the Owner's accountants becoming binding on the Contractor. Pending a final resolution by arbitration, the Owner shall pay the Contractor the amount certified in the Architect's final Certificate for Payment.

§ 12.2.5 If, subsequent to final payment and at the Owner's request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs and the Contractor's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Contractor has participated in savings as provided in Section 5.2, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Contractor.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 The Contract may be terminated by the Contractor, or by the Owner for convenience, as provided in Article 14 of AIA Document A201-1997. However, the amount to be paid to the Contractor under Section 14.1.3 of AIA Document A201-1997 shall not exceed the amount the Contractor would be entitled to receive under Section 13.2 below, except that the Contractor's Fee shall be calculated as if the Work had been fully completed by the Contractor, including a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 13.2 The Contract may be terminated by the Owner for cause as provided in Article 14 of AIA Document A201-1997. The amount, if any, to be paid to the Contractor under Section 14.2.4 of AIA Document A201-1997 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

§ 13.2.1 Take the Cost of the Work incurred by the Contractor to the date of termination;

§ 13.2.2 Add the Contractor's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

§ 13.2.3 Subtract the aggregate of previous payments made by the Owner.

§ 13.3 The Owner shall also pay the Contractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Contractor that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the

legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

§ 13.4 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201-1997 except that the term "profit" shall be understood to mean the Contractor's Fee as described in Sections 5.1.2 and Section 6.4 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Where reference is made in this Agreement to a provision AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

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

Prime rate as published by the Wall Street Journal plus 2%.

(Insert rate of interest agreed upon, if any.)

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

§ 14.3 The Owner's representative is:
(Name, address and other information.)

James Wozny
Cicero/Peterson L.L.C.
c/o Brook-Ridge Development
1141 E. Main Street, Suite 202
East Dundee, IL 60018

§ 14.4 The Contractor's representative is:
(Name, address and other information.)

Robert J. Corrigan
W.E. O'Neil Construction Company
2751 N. Clybourn Avenue
Chicago, Illinois 60614

§ 14.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

§ 14.6 Other provisions:

§ 14.6.1 The wages/salaries of the following personnel are to be included in the Cost of the Work for the period of time that they are working on the Project:

Project Executive
Project Estimator
Safety Director
Project Accountant

§ 14.6.2 EVIDENCE OF OWNER FINANCING

The Owner shall provide evidence, satisfactory to Contractor, that financing in the amount of the Guaranteed Maximum Price is available for distribution. In the event there are Change Orders which materially increase the Cost of the Work such evidence shall be provided with respect to such additional cost.

§ 14.6.3. SCHEDULE

The Contractor shall use its best efforts to meet any milestones or any date of Substantial Completion established under such schedule, as revised from time to time, provided however that the Contractor shall have no liability to the Owner for any loss, claim or damage (including direct, indirect, consequential or otherwise) resulting from its failure to achieve any such milestone or Date of Substantial Completion set forth in such schedule. The Contractor shall keep the Owner advised of situations where overtime work is required in an effort to keep the Project on schedule.

§ 14.6.4. SELF-PERFORMED WORK

The Contractor shall perform the Concrete work for a Lump Sum of \$6,906,603. Subject to Owner's approval, if the Contractor performs any trade work, the Compensation to be paid the Contractor for such self-performed work shall be on the basis of the Cost of the Work, plus overhead burden of ten (10%) percent.

§ 14.6.5. CHANGE ORDER

The Contractor shall receive a Contractor's Fee and General Conditions equal to eight percent (8%) of such Change Order.

§ 14.6.6. LIMITATIONS ON CONTRACTOR'S LIABILITY

Notwithstanding anything to the contrary contained herein, the Owner's remedy for damages relating to Contractor's failure to perform its obligations pursuant to the Contract Documents, shall be limited to direct damages and shall not include any special, indirect, punitive, consequential, or any other category of damages.

§ 14.6.7. MISCELLANEOUS

1. Owner's sole remedy with respect to defective or incorrect workmanship or materials of which shall be to require Contractor to repair or replace defective workmanship or materials of which Contractor is notified within a period of one (1) year after the date of unit's initial closing, not to exceed 15 months after Substantial Completion. This is not intended to limit a claim for a latent defect.
2. In connection with the Contractor's obligation to provide mechanic lien waivers with respect to an Application for Payment, Owner agrees that Contractor must provide its waivers of lien for payments due under an Application for Payment, but Contractor may delay submitting waivers of lien for subcontractors to be paid under such Application of Payment (until the next succeeding Application of Payment). If the Owner is paying the Contractor through a title company construction loan escrow, Contractor must provide a title company with any required indemnities in order for Contractor to obtain the right for such delayed delivery.
3. Wherever the Contract Documents shall provide that the performance of an obligation of the Contractor is at its expense or words to that effect. The costs incurred by Contractor in the fulfillment of such obligation shall be deemed to be Costs of the Work.
4. Contractor shall not be responsible for design or verifying the design of the project.
5. With respect to portions of the work that are performed by other firms that are engaged directly by Owner.
 - a. Owner shall require and cause to happen that W.E. O'Neil Construction Company and O'Neil Industries are added as named additional insureds on the insurance policies of all such other firms that are engaged directly by the Owner.

b. Owner shall indemnify the Contractor as provided herein for any loss, claim or damage resulting from injuries to persons or property (other than the work itself) and caused by the sole or partial negligence of the Owner or the other firms that are engaged directly by the Owner.

6. Substantial Completion and Turnover of units shall commence on level two and proceed upward on a floor by floor basis.

§ 14.6.8. DISPUTE RESOLUTION

Any Claim arising out of or related to the Contract, shall, after initial decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to binding private litigation.

The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for binding private litigation, as provided below but, in such event, mediation shall proceed in advance of such binding private litigation, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

BINDING PRIVATE LITIGATION

Any controversy or dispute not resolved through non-binding mediation shall be settled by binding private litigation as described below. Such action may be instituted at any time after completion of the mediation process if a settlement of such dispute is not resolved pursuant to mediation.

There shall be a single former state or federal judge (the "Judge") mutually agreed to by the parties. If the parties cannot agree on a Judge within ten (10) days after institution by a party of this procedure, JAMS/Endispute will submit a list of three candidates to the parties. Such list of candidates shall include persons who have decided at least three (3) construction-related disputes. Each party shall inform JAMS/Endispute within ten (10) days after receipt of such list of its preference ranked in order; each party shall be entitled to disqualify one candidate for no cause, and any candidate for cause.

Once a Judge has been appointed, evidentiary hearing shall commence within two (2) months of such appointment, and shall be completed in consecutive business days of hearings, each consisting of seven hours each proceedings, subject to the availability of the Judge. Each party shall have thirty-five (35) hours in the aggregate for its initial presentation of evidence, cross-examination, rebuttal and opening and closing arguments, to be allocated as each party determines in its sole discretion. The time necessary to determine motions or objections shall be charged to neither party. Motions shall be heard prior to the commencement of evidentiary hearings, pursuant to notice as described below.

The proceedings shall be governed by the Illinois Code of Civil Procedure and the Rules of the Illinois Supreme Court, including motions practice. However, the parties shall not be entitled to any discovery other than that of the production of documents and oral depositions. Depositions shall be taken only of (i) each party's expert witnesses (who must be disclosed and written reports exchanged more than thirty (30) days before the deposition); (ii) two current or former employees of each party; and (iii) no more than two non-parties of each party. Full production of documents shall be made within twenty (20) days of any request to produce documents properly served.

The losing party shall pay the fees of JAMS/Endispute and the costs associated with the proceeding. In addition, the parties shall each pay their respective attorney's fees.

The award rendered by the Judge shall be final and binding on the parties, and shall be treated as an arbitration award for purposes of enforcement in a court of competent jurisdiction; provided however, the standards and law to be applied on appeal shall be as if the award were rendered as a decision after a bench trial held in a court of original jurisdiction without regard to the limitations with respect to appeal set forth in the Federal Arbitration Act or the Illinois Arbitration Act.

§ 14.6.9. HAZARDOUS MATERIAL

1. Contractor shall not be responsible for handling or removal of any hazardous materials.
2. To the fullest extent permitted by law, the Owner's shall indemnify and hold harmless the Contractor and Subcontractors, consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.

§ 14.6.10. SUBCONTRACTOR BONDING

Contractor shall have the right, but not the obligation, to cause such Subcontractors of the first tier to purchase and maintain Performance and Payments Bonds ("Bond") covering the full value of their work in forms as mutually agreed upon between the Owner and the Contractor. In the event that the Owner directs that bonds for such subcontracts not be obtained and in the event that a subcontractor defaults in the performance of its subcontract for subcontracts over \$100,000 and is thereafter financially unable to either cure such default and/or reimburse Contractor for any costs, losses or damages (including without limitation attorney's fees and costs) incurred by Contractor (or by any third party to whom Contractor may be liable) by reason of such Subcontractor's default, then Owner shall reimburse to Contractor on request such proven losses, damages and expenses (including without limitation attorney's fees) that would have been recovered had a Performance and Payment Bond been obtained, which such Subcontractor is financially unable to pay.

ARTICLE 15 ENUMERATION OF CONTRACT DOCUMENTS

§ 15.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows: Exhibit E, dated 01-06-05

§ 15.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A111-1997.

§ 15.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

§ 15.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Exhibit E, dated 01-06-05

Document	Title	Pages
----------	-------	-------

§ 15.1.4 The Specifications are those contained in the Project Manual dated as in Section 15.1.3, and are as follows: *(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

Exhibit E, dated 01-06-05

Title of Specifications exhibit:

Section	Title	Pages
---------	-------	-------

§ 15.1.5 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Exhibit E, dated 01-06-05

Title of Drawings exhibit:

§ 15.1.6 The Addenda, if any, are as follows: None

Number	Date	Pages
--------	------	-------

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 15.

§ 15.1.7 Other Documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents, such as a list of alternates that are intended to form part of the Contract Documents. AIA Document A201-1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

Exhibit A	Schedule	Dated 01-06-05
Exhibit B	GMP Trade Breakdown	Dated 01-06-05
Exhibit C	Allowances	Dated 01-06-05
Exhibit D	Clarifications	Dated 01-06-05
Exhibit E	Contract Drawings	Dated 01-06-05
Exhibit F	General Conditions	Dated 01-06-05
Exhibit G	Insurance Certificate	Dated 01-06-05

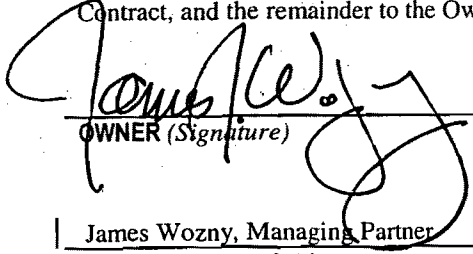
ARTICLE 16 INSURANCE AND BONDS

(List required limits of liability for insurance and bonds. AIA Document A201-1997 gives other specific requirements for insurance and bonds.)

The attached Certificate of Insurance shall constitute the required scope and limits for insurance requirements of the Contractor. Exhibit G, dated 01-06-05.

Type of insurance	Limit of liability (\$ 0.00)
-------------------	------------------------------

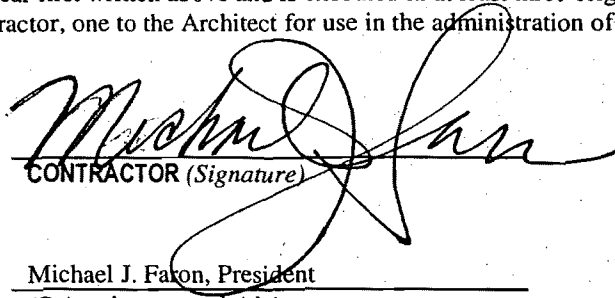
This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.



OWNER (Signature)

James Wozny, Managing Partner
(Printed name and title)

Cicero/Peterson L.L.C.
c/o Brook-Ridge Development
1141 E. Main Street, Suite 202
East Dundee, IL 60018



CONTRACTOR (Signature)

Michael J. Faxon, President
(Printed name and title)

W.E. O'Neil Construction Company
2751 N. Clybourn Avenue
Chicago, Illinois 60614

Description

Duration

Start

Finish

2005

2006

2007

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN E

Milestones

Construction Start	0	24JAN05	
Notice to Proceed	0	24JAN05	
Mobilization	0	24JAN05	
Foundations Complete	0		23MAY05
Commence Whole Foods Build-out	0	26OCT05	
Structure Complete	0		02NOV05
Substantial Completion	0		09MAY06

- ◇ Construction Start
- ◇ Notice to Proceed
- ◇ Mobilization
- ◇ Foundations Complete
- ◇ Commence Whole Foods Build-out
- ◇ Structure Complete
- ◇ Substantial Completion

Owner Sign Off Dates

2nd Floor Struc. Changes / Partition Layout	0		25AUG05
3rd Floor Struc. Changes / Partition Layout	0		01SEP05
4th Floor Struc. Changes / Partition Layout	0		08SEP05
5th Floor Struc. Changes / Partition Layout	0		15SEP05
2nd Floor MEP Rough-in	0		15SEP05
3rd Floor MEP Rough-in	0		29SEP05
5th Floor MEP Rough-in	0		20OCT05
4th Floor MEP Rough-in	0		27OCT05

- ◇ 2nd Floor Struc. Changes / Partition Layout
- ◇ 3rd Floor Struc. Changes / Partition Layout
- ◇ 4th Floor Struc. Changes / Partition Layout
- ◇ 5th Floor Struc. Changes / Partition Layout
- ◇ 2nd Floor MEP Rough-in
- ◇ 3rd Floor MEP Rough-in
- ◇ 5th Floor MEP Rough-in
- ◇ 4th Floor MEP Rough-in

Owner Punchlist Dates

LL and 1st Floor Ready for Punchlist	0	26OCT05	
2nd Floor Ready for Punchlist	0	14MAR06	
3rd Floor Ready for Punchlist	0	04APR06	
4th Floor Ready for Punchlist	0	27APR06	
5th Floor Ready for Punchlist	0	10MAY06	

- ◇ LL and 1st Floor Ready for Punchlist
- ◇ 2nd Floor Ready for Punchlist
- ◇ 3rd Floor Ready for Punchlist
- ◇ 4th Floor Ready for Punchlist
- ◇ 5th Floor Ready for Punchlist

Mobilize

Mobilize	0	24JAN05	
Set-Up Field Office	2d	24JAN05	25JAN05
Clear Site	3d	24JAN05	26JAN05
Hazardous Material	1d	24JAN05	24JAN05
Perimeter Security	3d	24JAN05	26JAN05
Property Line Survey	3d	24JAN05	26JAN05

- ◇ Mobilize
- ◇ Set-Up Field Office
- ◇ Clear Site
- ◇ Hazardous Material
- ◇ Perimeter Security
- ◇ Property Line Survey

Sitework

Curbs and Walks	10d	02MAY05 *	13MAY05
-----------------	-----	-----------	---------

 Curbs and Walks

Run date 06JAN05





Start date 24JAN05

Finish date 23MAY06

© Primavera Systems, Inc.

W.E. O'NEIL CONSTRUCTION COMPANY
Sauganash Place Condominiums
EXHIBIT A

WE O'NEIL







-  Early bar
-  Progress bar
-  Critical bar
-  Summary bar
- ◇ Start milestone point
- ◇ Finish milestone point

Description	Duration	Start	Finish	2005												2006												2007
				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
Paving	5d	16MAY05	20MAY05	Paving																								
Landscaping	10d	23MAY05	03JUN05	Landscaping																								
Foundations																												
Layout	5d	27JAN05	02FEB05	Layout																								
Probe for Obstructions	5d	03FEB05	09FEB05	Probe for Obstructions																								
Caissons	15d	10FEB05	02MAR05	Caissons																								
Earth Retention	15d	03MAR05	23MAR05	Earth Retention																								
Grade Beams	15d	24MAR05	13APR05	Grade Beams																								
Foundation Walls	20d	14APR05	11MAY05	Foundation Walls																								
Basement Slab on Grade	8d	12MAY05	23MAY05	Basement Slab on Grade																								
Building Shell																												
First Floor Slab	15d	24MAY05	13JUN05	First Floor Slab																								
Vertical 1 - 2	10d	06JUN05	17JUN05	Vertical 1 - 2																								
Second Floor Slab	15d	14JUN05	05JUL05	Second Floor Slab																								
Vertical 2 - 3	10d	27JUN05	11JUL05	Vertical 2 - 3																								
Third Floor Slab	15d	06JUL05	26JUL05	Third Floor Slab																								
Vertical 3 - 4	8d	19JUL05	28JUL05	Vertical 3 - 4																								
Fourth Floor Slab	10d	27JUL05	09AUG05	Fourth Floor Slab																								
Vertical 4 - 5	8d	03AUG05	12AUG05	Vertical 4 - 5																								
Fifth Floor Slab	10d	10AUG05	23AUG05	Fifth Floor Slab																								
Whole Foods Elevators	60d	10AUG05	01NOV05	Whole Foods Elevators																								
Vertical 5 - Roof	8d	17AUG05	26AUG05	Vertical 5 - Roof																								
Roof Slab	10d	24AUG05	06SEP05	Roof Slab																								
Exterior Framing 1	10d	07SEP05	20SEP05	Exterior Framing 1																								
2nd Floor Traffic Topping	15d	07SEP05	27SEP05	2nd Floor Traffic Topping																								
Masonry 1 - 2	15d	21SEP05	11OCT05	Masonry 1 - 2																								
Exterior Framing 2	8d	21SEP05	30SEP05	Exterior Framing 2																								
Exterior Framing 3	8d	03OCT05	12OCT05	Exterior Framing 3																								
Windows 1	10d	12OCT05	25OCT05	Windows 1																								
Masonry 2 - 3	15d	13OCT05	02NOV05	Masonry 2 - 3																								
Exterior Framing 4	8d	13OCT05	24OCT05	Exterior Framing 4																								
Masonry 3 - 4	10d	25OCT05	07NOV05	Masonry 3 - 4																								
Exterior Framing 5	8d	25OCT05	03NOV05	Exterior Framing 5																								
Masonry 4 - 5	10d	04NOV05	17NOV05	Masonry 4 - 5																								
Masonry 5 - Roof	10d	18NOV05	01DEC05	Masonry 5 - Roof																								
Windows 2	5d	02DEC05	08DEC05	Windows 2																								

Run date 06JAN05
Start date 24JAN05
Finish date 23MAY06
© Primavera Systems, Inc.

W.E. O'NEIL CONSTRUCTION COMPANY
Sauganash Place Condominiums
EXHIBIT A

WE O'NEIL

-  Early bar
-  Progress bar
-  Critical bar
-  Summary bar
-  Start milestone point
-  Finish milestone point

Sauganash Place Condominiums
Peterson Cicero L.L.C.
Pappageorge/Haymes, Ltd.

217,977.00

DESCRIPTION	BUDGETS	\$/SF
General Conditions	839,836	3.85
General Requirements	249,729	1.15
Earthwork	798,020	3.43
Caissons	491,800	2.07
Sheeting & Shoring	113,000	0.50
Storm Retention Basin	-	-
Water & Sewer Taps	-	-
Site Utilities	145,375	0.62
Asphalt Paving	60,950	0.26
Site Concrete - Curbs & Walks	-	-
Retention Vault	-	-
Lawn Sprinklers	-	-
Landscaping	58,102	0.26
Greenroof	201,573	0.92
Bike Racks	1,504	0.01
Cast-In-Place Concrete	6,906,603	31.69
5" Colored Topping	-	-
Precast Concrete Plank	64,829	0.28
Masonry	1,448,428	6.64
Stairs & Railings	489,854	2.25
Metal Fabrications	-	-
Balcony Railings	-	-
Roof Top Accent Steel	-	-
Carpentry	328,115	1.41
Dampproofing - 1st floor cmu	-	-
Foundation Waterproofing	67,888	0.29
Roof Membrane-Main Roof - Concrete Topping at Terraces	394,699	1.70
Roof Eyebrows +22 and +65	-	-
Rooftop Screening	-	-
3rd Floor Greenroof Waterproof Membrane	-	-
2nd Floor Waterproof Membrane	-	-
vehicular Membrane	64,158	0.27
Concrete Sealer	10,761	0.04
Balcony Membrane	-	-
Floor / Ceiling Insulation	-	-
Caulking	20,000	0.09
hollow Metal Doors & Frames	108,356	0.46
Overhead Doors	55,440	0.25
High Speed Sectional Door	-	-
Solid Core Wood Doors	-	-
Prehung Wood Doors	-	-
Wood BiFold Doors	-	-
Aluminum Entrances	152,867	0.68
Aluminum Clad Wood Windows	619,147	2.79
Door Hardware	-	-

Mirrors	-	-
Drywall	1,632,694	7.15
Ceramic Tile	149,840	0.66
Wood Flooring	263,514	1.17
Floor Leveling	45,000	0.21
Carpet	74,019	0.32
Painting	228,350	1.00
Louvers	-	-
Signage	3,000	0.01
Wire Mesh Partitions	23,000	0.10
Shower Enclosures	36,351	0.16
Mail Boxes	3,000	0.01
Toilet Accessories & Med. Cabs	11,885	0.05
Fire Extinguishers & Cabs	5,225	0.02
Plastic Coated Wire Shelving	23,623	0.09
Trash Chute	5,227	0.02
Trash Compactor	9,283	0.04
Loading Dock Equipment	4,018	0.02
Cabinets	148,898	0.66
Cabinet Tops	40,333	0.18
Window Treatments	-	-
Window Washing Embeds	5,000	0.02
Entrance Mat	1,000	0.00
Awnings	-	-
Residential Parking Equipment	-	-
Elevators	267,995	1.18
Fire Protection	389,895	1.74
Plumbing	1,362,793	5.79
Tunnel Ice Melt System	-	-
Residential Walk Ice Melt System	-	-
HVAC	975,800	4.36
Electrical	1,100,000	4.59
Residential Lobby Finish and Lighting Upgrade Package	-	-
Cab Finish Allowance	10,000	0.05
Residential Unit Appliances	91,500	0.37
First Floor Exterior Wall Mounted Exterior Specialty Lighting	-	-
Rout/Caulk garage slab cracks	-	-
Underground Structure Removal	-	-
Unsuitable Soil Removal and Underground Tank Removal	-	-
Overtime Premiums	-	-
Quality Control	-	-
SUB TOTALS	20,602,277	91.91

SUB TOTALS	20,602,277	91.91
	-	-
	-	-
SUB - TOTAL	20,602,277	91.91
		2.61
SUB - TOTAL	20,602,277	94.52
FEE - 3%	618,068	2.84
SUB - TOTAL	21,220,345	97.35
GEN. LIAB. INSURANCE	197,349	0.91
SUB - TOTAL	21,417,695	98.26
PERFORMANCE BOND	-	-
		-
		-
TOTAL	21,417,695	98.26

ALLOWANCES

	Description		Value
1	Furnish Jumbo Utility Brick	Material	\$900/m
2	Residential Lobby Finishes including Lighting	Material & Labor	75,000
3	Floor leveling	Material & Labor	45,000
4	Corridor Carpet	Material	\$12/SY
5	Window washing tie backs	Material & Labor	5,000
6	Residential elevator cab finish upgrades (standard cab finishes included)	Material & Labor	10,000
7	Residential unit and corridor light fixtures	Material	30,000

RE: Sauganash Place Condominiums
Phase I
6000 N. Cicero
Chicago, Illinois

CLARIFICATIONS

Division 1

1. Building Permit costs and fees are by the Owner.
2. Builders Risk Insurance is to be provided by the Owner.
3. Utility fees and excess facilities charges are by the Owner. Utility consumption/usage costs by the Contractor
4. Overhead protection is not anticipated being required; therefore, we did not include any costs to provide a sidewalk canopy.
5. We anticipate closing the sidewalk on Cicero and Peterson. Obstruction fees, if applicable, are by the Owner. If obstruction fees are not waived as part of the TIF agreement, the Owner should budget \$18,800.
6. Hoisting requirements will be handled by the various trade subcontractors; a material/personnel hoist is not included.
7. We intend to utilize the permanent elevators, when available, for any required hoisting.
8. We do not include any relocation costs for the existing utilities such as the overhead power lines.
9. Our proposal is based on plans as prepared by Pappageorge/Haymes Ltd. Dated September 29, 2004; Scope of Work Clarifications dated August 2, 2004; Draft Specifications for Phase I; H.H. Holmes Soils Report dated May 14, 2004 and as amended October 15, 2004.
10. We understand that a 50% Chicago Residency Requirement is typically attached to the TIF Agreement. It is our experience that reaching the 50% residency requirement goals is difficult, if not impossible. W.E. O'Neil Construction Company will use its best efforts to reach the 50% residency requirement goal. W.E. O'Neil Construction Company requires the Owner to indemnify W.E. O'Neil Construction Company from any damages or penalties imposed by the City of Chicago for failure to reach this goal.
11. We include MBE and WBE goals as imposed by the City of Chicago as 25% and 5% respectively.
12. Work associated with handling or removal of hazardous materials is not included.
13. Material testing is not included.

Division 2

1. New concrete curbs, walks and drives are included along Cicero & Peterson for Phase I work only.
2. Asphalt patching is included along Cicero / Peterson as required for the installation of the Phase I new curb.
3. Water & Sewer tap fees are by the Owner.
4. Earthwork is based on utilizing on-site materials for backfill.
5. Removal of any underground obstructions is not included.
6. Site Lighting is included (five (5) 20' single headed light poles).
7. Empty conduit to the project sign will be provided; other work associated with this sign is to be by the Owner.
8. Landscape irrigation is included for the new sod areas only.
9. Drip irrigation is not included for the third floor green roof.
10. Raised planters at the ground level are not included. We include a 6" concrete curb at ground level planter areas.
11. We do not include permanent steel liners or casings for the caissons.
12. Caissons will be installed with conventional equipment and standard installation procedures.
13. Caisson bearing design elevation is -55' from 0.0'.
14. The site screen wall is not included.
15. Eight elm trees and tree grates are not included. Four 10' long planting areas are included with ground cover.

Division 3

1. Material reinforcing steel is firm through January 31, 2005. An escalator of \$20.00 per ton for each month (\$22,500./month) will be required thereafter. W.E. O'Neil recommends the reinforcing steel be purchased by January 31, 2005, stored by the supplier, and shipped as needed. 1,126 tons of reinforcing steel is included at a per ton cost of \$820.50.
2. Concrete corrosion inhibiting admixtures are not included.
3. Colored concrete topping slab at the retail area is not included. ADD \$ 267,716. Provide a 5' concrete topping without color ADD \$227,475.
4. Removal of deck and beam formwork and reshoring will be in accordance with note 17D on sheet S1.01

Division 4

1. Jumbo utility bricks are included as an allowance of \$900/M.
2. Colored mortar is not included. Provide colored mortar ADD \$15,800.
3. Renaissance stone or equal is included as the cast stone.
4. Sealing of masonry walls with a clear sealer is not included.
5. 4' stone sills are included in lieu of 8' sills.
6. Provide prefinished aluminum cap flashing in lieu of the stone coping shown at the high roof parapet.

Division 5

1. Galvanizing of metals is not included. Should galvanizing of the support steel for the louver equipment screen ADD \$21,250.
2. Checker plate steel stairs are included with manufacturer's standard details.
3. Balcony railings are included as prefinished aluminum railings, standard manufacturer's standard colors.
4. We are providing reinforced concrete block walls in lieu of detail 15 on sheet A6.01.

Division 6

1. Wood trim is included as painted.

Division 7

1. Bentonite Waterproofing is included for basement foundation walls, elevator pit and tunnel walls. Basement and tunnel ceiling waterproofing is included as liquid applied waterproofing. 2' rigid insulation is included for the basement waterproofing systems. Insulation at the tunnel is not included.
2. 2' rigid insulation for the basement waterproofing system is included in lieu of 3' rigid insulation.
3. Dri-block is included in lieu of spray applied dampproofing of the exterior CMU at the first floor retail space. Provide spray applied dampproofing at the first floor CMU exterior walls ADD \$ 61,344.
4. Roofing membrane for the main roof is included as a modified bitumen roofing system with tapered insulation sloped 1/8' per foot (average R-19). Provide 1/4' per foot tapered roof insulation ADD \$18,400.
5. Cornice prefinished break metal is included.
6. Aluminum louvers (4' 6" height) model X4K, 4' deep extruded aluminum storm proof, non-drainable blade louvers with 2 coat Kynar finish are included for the

- rooftop equipment screening. The top edge of the louver will be at +8' above finish roof. Provide 8' high louvers in lieu of 4'6" high louvers ADD \$ 15,000.
7. Liquid applied waterproofing and 4' of 60 psi insulation is included for the second floor unit terraces. Should a Modified Bitumen Roof System be required for the second floor terraces ADD \$9,451.
 8. Liquid applied waterproofing is included for the area above the north soffited area along column line 9. Should a Modified Bitumen Roof system be required over the north soffited area ADD \$7,650.
 9. Liquid applied waterproof membrane and 2' of 60 psi rigid insulation is included for the third floor green roof and unit terraces. Should a modified Bitumen Roof System be required for this area ADD \$ 97,624.
 10. Unilock Hollandstone pavers set on a 1" bedding sand and edge restraints are included in lieu of 2' x 2' concrete pavers on adjustable pedestals.
 11. Vehicular membrane is included at the second floor residential parking area.
 12. Pedestrian traffic coating is included at unit 211 balconies and mechanical 503.
 13. Basement parking, truck dock areas, typical unit balconies, ramp to the second floor parking and the second and third floor concrete topping areas are sealed with a silane sealer.
 14. If a cementitious coating is required at the two shared walls with the tunnel /detention basin ADD \$ 2,244.
 15. The concrete eyebrows are coated with a pedestrian membrane.

Division 8

1. Door mark B 11 to be an Albany RCA coil away fabric high speed door.
2. Insulated sectional overhead doors are included as indicated.
3. We include 122 transmitters for the residential overhead door.
4. Unit entry doors are included as flush solid core wood doors, paint grade, 20 minute with hollow metal frames (3070).
5. Unit interior prehung doors are included as 1 3/8', primed, flush hollow core doors. ADD \$ \$8,550. for flush solid core doors.
6. Unit bifold doors are included as 1 3/8' primed hollow core. For flush solid core bifold doors ADD \$ 33,930.
7. To provide 2-panel molded prehung hollow core doors in lieu of flush hollow core doors ADD \$20,550.
8. To provide 2-panel hollow core prehung and bifold doors in lieu of flush doors ADD \$16,786.
9. We have included \$34,000 for door hardware. For the Residential units we include Schlage F Series.
10. Unit windows and patio doors are aluminum clad wood. Glazing is clear low-e. STC-35 glazing is not included for the residential aluminum clad wood windows and doors. Windows/patio doors to have manufacturer's standard metal finishes. Windows to have standard mullion posts.
11. Fiberglass mesh screens are included for the residential operable windows.
12. Manufacturer's standard profiles and finishes are included for the storefront systems.

13. Narrow stile entrances with manufacturer's standard hardware is included.
14. Stanley D/G 2000 Duraglide single slide door package is included for the Retail Entrances.

Division 9

1. Drywall ceilings and soffits are included at the unit entry and living areas in the units to conceal duct work and mechanical equipment.
2. USG cover coat is included at all exposed concrete ceilings in living areas and typical residential corridors.
3. There are no acoustical ceilings shown, therefore none are included.
4. An allowance of \$45,000. is included for floor leveling and surface prep for floor finishes.
5. Wood flooring is included as 3/8'x 3' Engineered Mohawk Marbury Oak Flooring over Quiet Core or Kahrs 2plex.
6. Corridor carpet is included as glue down. Carpet material is included as an allowance of \$12.00/SYD.
7. Residential unit carpet pad is included as 4# cushion.
8. Waterproof membrane or sound deadening products are not included for the ceramic tile areas.

Division 10

1. Closets to have plastic coated wire shelving.
2. Shower doors are bi-parting in lieu of swing doors with clear or obscure glass.

Division 11

1. Window treatments are not included.
2. Numbered tenant storage lockers are included (32-double tiered 4'W x 5'D.; backs and/or tops are not included).

Division 12

1. Kitchen and vanity cabinets to be Canac's Regal collection.
2. Provide Sussex Oak by American Craig ADD \$ 96,445.

3. Kitchen countertops to be post formed plastic laminate, manufacturer's standard laminates and standard stock colors. Cultured marble vanity tops with integral bowls to be standard tops and colors.
4. Residential appliances are included as white GE or equal appliances.

Division 13

1. Window washing tie-backs (20—each) are included as an allowance of \$5,000.
2. Two sets of loading dock equipment are included (25,000 lb. levelers, dock seals and bumpers).
3. Awnings are not included.

Division 14

1. Passenger Elevators

- Quantity 2 each
- Capacity 3,000lbs.
- Travel Distance 55-8'
- Speed 125 fpm
- Stops 5 in line
- Entrances #4 Stainless Steel (First Floor)
- Entrances Baked Enamel floors 2-5
- Cab Height 9'0"
- Finishes Manufacturers Standard
- Type Hydraulic
- Model Seville 30

2. Freight Elevators

- Quantity 2 each
- Capacity 5,000 lbs.
- Travel Distance 11' 4'
- Speed 100 fpm
- Stops 2 in line
- Entrances Baked Enamel
- Cab Height 9' 0"

- Finishes Manufacturers Standard
- Type Hydraulic
- Model Continental 50

3. An allowance of \$5,000. /cab for the residential elevators is included for elevator cab finish upgrades.

Division 15

1. Fire protection systems for the two parking floors, tunnel and loading dock are dry systems.
2. One 750 gpm fire pump is included.
3. Galvanized sprinkler pipe is not included.
4. Retail area is included as Ordinary Hazard Occupancy. Brass upright heads are included in the retail area and other unfinished spaces.
5. Fire protection pipe included in accordance with NFPA 13 for light hazard occupancy for the residential areas.
6. Due to pipe shortages, fire protection systems pipe will meet ASTM standards as well as NFPA-13. Available pipe has not been tested for UL or FM approvals.
7. Automatic transfer switch and reduced voltage starting are not included.
8. We include 80% efficient gas fired furnaces. For 90% efficient gas fired furnaces ADD \$ 24,400.
9. We include General Humidifiers. For Aprilaire humidifiers ADD \$ 24,400.
10. Test and Balance is included for the corridor makeup air units and residential lobby. Comfort balance is included for the residential units.
11. MUA units are included as Sterling RT50 rooftop units with Carrier 38AKS016 Condensing Unit.
12. Toilet exhaust is included as a sub-duct system but does not include the ALD & FLD dampers.
13. It is assumed that cad discs will be made available at no charge to the MEP subcontractors.
14. HVAC is included based on Scarlet Glow's proposal dated December 16, 2004. A meeting with the Engineers to review Scarlet Glow's proposed HVAC system.
15. Reconfigure the storm drainage lines as allowed by code.

Division 16

1. An allowance of \$30,000. is included for unit light fixtures and corridor lighting.
2. Back of house fixtures are included as standard grade fixtures.
3. Exit and Emergency lighting is included.

4. Residential unit GFI receptacles at the toilet rooms are located in non-mirrored walls.
5. Telephone/CATV raceways are included as 1-1" and 1 3/4" homerun to each unit. Raceway ends above unit entry door in junction box.
6. Cabling and devices are not included for unit telephone and data. CATV cabling and devices are not included. Junction boxes are included for CATV outlets.
7. Fire alarm system is included. Conduits and junction boxes are included for 13 units for future audio/visual devices.
8. Camera, door release, intercom at residential front entry is included. Telephone entry system will be capable of being operated through the telephone and CATV.
9. Fluorescent light fixtures are included in lieu of the Type Z light fixtures at the typical gas meter rooms. Should the Type Z fixture be required ADD \$26,400.
10. High output fluorescent light fixtures are included for the second floor parking level in lieu of Metal Halide. Should the Metal Halide fixtures be required ADD \$5,000.
11. Ice melt for the tunnel ramp is included. Ice melt for the walk along the west elevation of the building is not included.
12. Security systems beyond the front entry system are not included.
13. At Contractors option the electrical system to utilize a riser system in lieu of the bus duct system shown.
14. Downsize panel feeders to 3 #3's in 1" conduit in lieu of 3 # 1's in 1 1/4".



SAUGANASH PLACE CONDOMINIUMS
MIXED USE DEVELOPMENT
PETERSON CICERO L.L.C.
CHICAGO, ILLINOIS

Current Construction Documents

Number	Description	Latest Date
CIVIL		
C-1	Cover Sheet	9.29.04
C-2	Project Specifications	9.29.04
C-3	Site Plan / Grading Plan	9.29.04
C-4	Utility Plan	9.29.04
C-5	Details	9.29.04
C-6	Topographic Exhibit	9.29.04
LANDSCAPE		
L-1	Landscape Plan First Floor	9.29.04
L-2	Landscape Plan First Floor Details	9.29.04
L-3	Landscape Specs and Details	9.29.04
L-4	Landscape Plan Second Floor	9.29.04
L-5	Landscape Plan Third Floor	9.29.04
L-6	Green Grid Landscape Plan	9.29.04
L-7	Landscape Sections	9.29.04
ARCHITECTURAL		
A0.00	Title Sheet	9.29.04
A0.01	Code Compliance	9.29.04
A0.02	Energy Code Compliance	9.29.04
A0.03	Egress Diagrams	9.29.04
A0.04	Accessibility Notes	9.29.04
A0.05	IAC Unit Plans	9.29.04
A0.06	IAC Bathroom Elevations	9.29.04
A0.07	IAC Kitchen Elevations	9.29.04
A0.08	Abbreviations & Symbols	9.29.04
A1.01	Architectural Site Plan	9.29.04
A2.00	Basement Floor Plan	9.29.04
A2.01	First Floor Plan	9.29.04
A2.02	Second Floor Plan	9.29.04
A2.03	Third Floor Plan	9.29.04
A2.04	Fourth Floor Plan	9.29.04
A2.05	Fifth Floor Plan	9.29.04
A2.06	Roof Plans	9.29.04
A2.07	Unit Plans	9.29.04
A2.08	Unit Plans	9.29.04
A3.01	Building Elevations	9.29.04
A3.02	Building Elevations	9.29.04

A4.01	Schematic Building Sections	9.29.04
A4.02	Wall Sections	9.29.04
A4.03	Wall Sections	9.29.04
A5.01	Exterior Details	9.29.04
A6.01	Interior Details	9.29.04
A6.02	Interior Details	9.29.04
A7.01	Stair 1 & 4 Sections & Plans	9.29.04
A7.02	Stair 2 Sections & Plans	9.29.04
A7.03	Stair 3 Sections & Plans	9.29.04
A8.01	Door Schedules and Types	9.29.04
A8.02	Door Details	9.29.04
A8.03	Window Types	9.29.04
A8.04	Finish Schedules	9.29.04
A8.05	Partition Types	9.29.04
STRUCTURAL		
S1.01	General Notes and Typ. Detail	9.29.04
S1.02	Typical Details	9.29.04
S1.03	Typical Details	9.29.04
S2.01	Basement Floor Plan	9.29.04
S2.02	First Floor Plan	9.29.04
S2.03	Second Floor Plan	9.29.04
S2.04	Third Floor Plan	9.29.04
S2.05	4th & 5th Floor Plan	9.29.04
S2.06	Roof Framing Plan	9.29.04
S2.07	Partial Floor Plan	9.29.04
S3.01	First Flr. Reinf. Plan (North-South)	9.29.04
S3.02	First Flr. Reinf. Plan (East-West)	9.29.04
S3.03	2nd Flr. Reinf. Plan (North-South)	9.29.04
S3.04	2nd Flr. Reinf. Plan (East-West)	9.29.04
S3.05	3rd Floor Reinf. Plan (North-South)	9.29.04
S3.06	3rd Floor Reinf. Plan (East-West)	9.29.04
S3.07	4th & 5th Flr. Reinf. Plan (North-South)	9.29.04
S3.08	4th & 5th Flr. Reinf. Plan (East-West)	9.29.04
S3.09	Roof Reinf. Plan (North-South)	9.29.04
S3.10	Roof Reinf. Plan (East-West)	9.29.04
S3.11	Concrete Column Schedule	9.29.04
S3.12	Concrete Column Schedule	9.29.04
S3.20	Beam Schedule	9.29.04
S3.21	Beam Schedule	9.29.04
S3.22	Beam Schedule	9.29.04
S3.23	Beam Schedule	9.29.04
S3.24	Beam Schedule	9.29.04
S4.01	Sections	9.29.04
S4.02	Sections	9.29.04
S4.03	Sections	9.29.04
S4.04	Sections	9.29.04
S4.05	Sections	9.29.04
MECHANICAL		
M0.01	Mechanical Symbol and Abbreviations	9.29.04
M1.00	Basement Mechanical Plan	9.29.04

M1.01	1st. Floor Mechanical Plan	9.29.04
M1.02	2nd. Floor Mechanical Plan	9.29.04
M1.03	3rd. Floor Mechanical Plan	9.29.04
M1.04	4th Floor Mechanical Plan	9.29.04
M1.05	5th Floor Mechanical Plan	9.29.04
M1.06	Roof Level Mechanical Plan	9.29.04
M3.01	Mechanical Diagrams	9.29.04
M4.01	Mechanical Schedules	9.29.04
M4.02	Ventilation Schedule 1	9.29.04
M4.03	Ventilation Schedule 2	9.29.04
M4.04	Ventilation Schedule 3	9.29.04
M4.05	Ventilation Schedule 4	9.29.04
M4.06	Ventilation Schedule 5	9.29.04
M4.07	Ventilation Schedule 6	9.29.04
M4.08	Ventilation Schedule 7	9.29.04
M4.09	Ventilation Schedule 8	9.29.04
M4.10	Heating Schedule	9.29.04
M5.01	Mechanical Details	9.29.04
M6.01	Motor List Notes	9.29.04
ELECTRICAL		
E0.00	Symbols Schedules and Notes	9.29.04
E1.00	Electrical Plan Basement	9.29.04
E1.01	Electrical Plan 1st Floor	9.29.04
E1.02	Electrical Plan 2nd Floor	9.29.04
E1.03	Electrical Plan 3rd Floor	9.29.04
E1.04	Electrical Plan 4th Floor	9.29.04
E1.05	Electrical Plan 5th Floor	9.29.04
E1.06	Electrical Plan Roof	9.29.04
E2.01	Typical Unit Electrical Plan	9.29.04
E2.02	Typical Unit Electrical Plan	9.29.04
E2.03	Typical Unit Electrical Plan	9.29.04
E2.04	Typical Unit Electrical Plan	9.29.04
E2.05	Typical Unit Electrical Plan	9.29.04
E2.06	Enlarged Electrical Plan	9.29.04
E3.00	Power Riser Diagram	9.29.04
E4.00	Electrical Load Calculation	9.29.04
E4.01	Electrical Load Calculation	9.29.04
E4.02	Electrical Load Calculation	9.29.04
E4.03	Electrical Panel Schedules	9.29.04
EM0.00	Symbols Schedules and Notes	9.29.04
EM1.00	Emergency Lighting Plan Basement	9.29.04
EM1.00A	Emergency Lighting Plan Basement	9.29.04
EM1.01	Emergency Lighting Plan 1st Floor	9.29.04
EM1.01A	Emergency Lighting Plan 1st Floor	9.29.04
EM1.02	Emergency Lighting Plan 2nd Floor	9.29.04
EM1.02A	Emergency Lighting Plan 2nd Floor	9.29.04
EM1.03	Emergency Lighting Plan 3rd Floor	9.29.04
EM1.04	Emergency Lighting Plan 4th Floor	9.29.04
EM1.05	Emergency Lighting Plan 5th Floor	9.29.04
EM3.00	Emergency Power Rise Diagram	9.29.04

PLUMBING

P0.01	Symbols Abbreviations & Schedules	9.29.04
P2.00	Underground Plumbing Plan	9.29.04
P2.01	Basement Plumbing Plan	9.29.04
P2.02	First Floor Plumbing Plan	9.29.04
P2.03	Second Floor Plumbing Plan	9.29.04
P2.04	Third Floor Plumbing Plan	9.29.04
P2.05	Fourth Floor Plumbing Plan	9.29.04
P2.06	Fifth Floor Plumbing Plan	9.29.04
P2.07	Roof Plumbing Plan	9.29.04
P3.01	Plumbing Riser Diagrams	9.29.04
P3.02	Plumbing Riser Diagrams	9.29.04
P3.03	Plumbing Riser Diagrams	9.29.04
P3.04	Plumbing Riser Diagrams	9.29.04

FIRE PROTECTION

FP0.01	Symbols Abbreviations & Schedules	9.29.04
FP2.01	Basement Fire Protection Plan	9.29.04
FP2.02	First Floor Fire Protection Plan	9.29.04
FP2.03	Second Floor Fire Protection Plan	9.29.04
FP2.04	Typ. Floors 3-4 Fire Prot. Plan	9.29.04
FP2.05	Fifth Floor Fire Prot. Plan	9.29.04
FP3.01	Fire Protection Riser Diagram	9.29.04

GENERAL CONDITIONS
 W.E.O'NEIL CONSTRUCTION COMPANY
 PROJECT: SAUGANASH PLACE CONDOMINIUMS
 OWNER: PETERSON CICERO L.L.C.
 ARCHITECT: PAPPAGEORGE/HAYMES LTD.

15 MONTHS INCLUDING CLOSEOUT

SHEET NO. 1 OF 5
 AREA:
 BID DATE: 03-Dec-04

GEN. CONDITIONS TOTAL	MTL COST	LBR COST	EQPT COST	SUB COST
SALARIED TOTALS	\$ 5,000.00	\$ 648,520.00	\$ -	\$ -
NON - SALARIED TOTALS	\$ 154,820.00	\$ 31,496.00	\$ -	\$ -
TOTALS	\$ 159,820.00	\$ 680,016.00	\$ -	\$ -
GEN. CONDITIONS TOTAL			\$ 839,836.00	

SALARIED LABOR

CODE	DESCRIPTION	EST QTY	UNIT	U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIPT	TOTAL EQUPT COST	TOTAL SUB COST
00100	PROJ EXECUTIVE	61.00	WK		\$ -	\$ 500.00	\$ 30,500.00		\$ -	\$ -
00102	PROJ MANAGER	65.00	WK		\$ -	\$ 1,900.00	\$ 123,500.00		\$ -	\$ -
00103	FIELD SUPT	65.00	WK		\$ -	\$ 1,900.00	\$ 123,500.00		\$ -	\$ -
00104	MECH SUPT	-	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00105	PROJ ENGINEER	65.00	WK		\$ -	\$ 1,000.00	\$ 65,000.00		\$ -	\$ -
00106	BUILD OUT SUPT	in engr	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00107	FIELD ENGINEERING	-	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00108	SCHEDULES	-	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00109	ESTIMATOR	-	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00110	OFFICE MANAGER	61.00	WK		\$ -	\$ 800.00	\$ 48,800.00		\$ -	\$ -
00112	CONTRACT ADMIN	-	WK		\$ -	\$ -	\$ -		\$ -	\$ -
00113	SAFETY ENGINEER	61.00	WK		\$ -	\$ 125.00	\$ 7,625.00		\$ -	\$ -
00117	INFO SYSTEMS	1.00	UNIT	\$ 1,000.00	\$ 1,000.00	\$ 1,600.00	\$ 1,600.00		\$ -	\$ -

CODE	DESCRIPTION	EST QTY	UNIT		U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIPT	TOTAL EQUIPT COST	TOTAL SUB COST
00114	PRECONSTRUCTION	8.00	WK	\$	500.00	\$ 4,000.00	\$ 2,000.00	\$ 16,000.00	\$	-	
00116	COST CONTROL	15.00	MO			\$ -	\$ 125.00	\$ 1,875.00	\$	-	
	MATERIAL TOTAL					\$ 5,000.00		\$ 418,400.00	\$	-	\$ -
	FRINGES - 55%							\$ 230,120.00			
	LABOR TOTAL							\$ 648,520.00			

NON - SALARIED LABOR

CODE	DESCRIPTION	EST QTY	UNIT		U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIPT	TOTAL EQUIPT COST	TOTAL SUB COST
01103	INITIAL LAYOUT	TRADES	LS	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
01104	TRAVEL EXPENSES	-	MO	\$	-	\$ -		\$ -		\$ -	\$ -
01105	GENERAL EXPENSE	16.00	MO	\$	500.00	\$ 8,000.00		\$ -		\$ -	\$ -
01107	RELOCATION EXP	-	EA			\$ -		\$ -		\$ -	\$ -
01108	SUBSISTENCE	-	MO			\$ -		\$ -		\$ -	\$ -
01109	REPROD DRAWINGS	1.00	MO	\$	10,000.00	\$ 10,000.00		\$ -		\$ -	\$ -
01110	POSTAGE MAILING	15.00	MO	\$	500.00	\$ 7,500.00		\$ -		\$ -	\$ -
01112	OFF EQUIP/SUPPL	15.00	MO	\$	1,800.00	\$ 27,000.00		\$ -		\$ -	\$ -
01113	TELEPHONE/FAX	15.00	MO	\$	770.00	\$ 11,550.00		\$ -		\$ -	\$ -
01114	WATCHMAN	-	WK			\$ -		\$ -		\$ -	\$ -
01115	OVERTIME - WEO	-	UNIT			\$ -		\$ -		\$ -	\$ -
01116	OVERTIME - SUBS	-	UNIT			\$ -		\$ -		\$ -	\$ -
01117	DOWNTIME WEATHER	-	DAY	\$	-	\$ -		\$ -		\$ -	\$ -
01118	WAGE ESCALATION	-	UNIT			\$ -		\$ -		\$ -	\$ -
01121	TEMP PHONE INST	1.00	EA	\$	700.00	\$ 700.00		\$ -		\$ -	\$ -
01122	PAY PHONE	-	MO			\$ -		\$ -		\$ -	\$ -
01201	SURVEY EQUIPMENT	-	MO	\$	-	\$ -		\$ -		\$ -	\$ -
01204	OXY/ACTY TANKS	-	MO			\$ -		\$ -		\$ -	\$ -
01206	HOISTS	TRADES	WK			\$ -		\$ -		\$ -	\$ -
01207	JOB TRUCKS	-	MO	\$	-	\$ -		\$ -		\$ -	\$ -
01208	PICKUP TRUCKS	15.00	MO	\$	625.00	\$ 9,375.00		\$ -		\$ -	\$ -
01209	COMPANY CARS	15.00	MO	\$	600.00	\$ 9,000.00		\$ -		\$ -	\$ -

CODE	DESCRIPTION	EST QTY	UNIT	U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIP1	TOTAL EQUIPT COST	TOTAL SUB COST
01210	CRANE SET UP	-	UNIT		\$ -		\$ -		\$ -	\$ -
01211	MAN & MAT HOIST	-	MO		\$ -		\$ -		\$ -	\$ -
01212	GC CRANE	-	MO		\$ -		\$ -		\$ -	\$ -
01213	HOIST STOPS/DOOR	-	EA		\$ -		\$ -		\$ -	\$ -
01214	HOIST POWER	-	MO		\$ -		\$ -		\$ -	\$ -
01215	HOIST MAINTAIN	-	MO		\$ -		\$ -		\$ -	\$ -
01216	HOIST MISC.	-	UNIT		\$ -		\$ -		\$ -	\$ -
01217	ELEVATOR OPERATOR	gen req	WK		\$ -		\$ -		\$ -	\$ -
01218	CRANE ELECTRIFY	-	UNIT		\$ -		\$ -		\$ -	\$ -
01219	RECONDITION ELEV	-	UNIT		\$ -		\$ -		\$ -	\$ -
01220	DIESEL FUEL	-	GAL		\$ -		\$ -		\$ -	\$ -
01221	GASOLINE	30.00	MO	\$ 300.00	\$ 9,000.00		\$ -		\$ -	\$ -
01222	REPAIR/MAINT	30.00	UNIT	\$ 100.00	\$ 3,000.00	\$ -	\$ -		\$ -	\$ -
01223	SHIP IN & OUT	1.00	UNIT	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		\$ -	\$ -
01224	MOVE PERMITS	-	EA		\$ -		\$ -		\$ -	\$ -
01225	SMALL TOOLS/SPL	1.00	UNIT	\$ 2,000.00	\$ 2,000.00		\$ -		\$ -	\$ -
01226	NOT USED	-	MO	\$ -	\$ -		\$ -		\$ -	\$ -
01227	SCAFFOLDING	TRADES	UNIT		\$ -		\$ -		\$ -	\$ -
01301	FIELD OFFICES	14.00	MO	\$ 400.00	\$ 5,600.00		\$ -		\$ -	\$ -
01302	SHEDS & VANS	TRADES	MO	\$ -	\$ -		\$ -		\$ -	\$ -
01303	OWNER OFFICE	NOT INCL	MO		\$ -		\$ -		\$ -	\$ -
01304	MAINTN OFF/SHED	69.00	WK	\$ 5.00	\$ 345.00	\$ 30.00	\$ 2,070.00		\$ -	\$ -
01305	SET UP OFFICE	1.00	UNIT	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00		\$ -	\$ -
01306	TEMP ROAD/PRKG	TRADES	SY		\$ -		\$ -		\$ -	\$ -
01307	TEMP TOILETS	14.00	MO	\$ 500.00	\$ 7,000.00		\$ -		\$ -	\$ -
01308	EXCESS FACILITY		UNIT		\$ -		\$ -		\$ -	\$ -
01310	TEMP ELEC INSTL	TRADES	UNIT	\$ -	\$ -		\$ -		\$ -	\$ -
01311	TEMP ELEC POWER	-	MO		\$ -		\$ -		\$ -	\$ -
01312	UTILITY CHARGES	15.00	MO	\$ 1,500.00	\$ 22,500.00		\$ -		\$ -	\$ -
01313	JOB FENCE	gen req	LF		\$ -		\$ -		\$ -	\$ -
01314	TEMP BLDG HEAT	gen req	WK		\$ -		\$ -		\$ -	\$ -
01315	PROJECT SIGN	-	EA	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
01316	DRINKING WATER	15.00	MO	\$ 50.00	\$ 750.00		\$ -		\$ -	\$ -
01317	TEMP ENCL. FOR HEAT	-	SF		\$ -		\$ -		\$ -	\$ -
01319	WATER NON - DRINK	-	MO	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

CODE	DESCRIPTION	EST QTY	UNIT	U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIPT	TOTAL EQUIPT COST	TOTAL SUB COST
01320	TEMP. WATER METER	-	EA		\$ -		\$ -		\$ -	\$ -
01331	START - UP ELECTRICITY	-	MO		\$ -		\$ -		\$ -	\$ -
01401	PERIODIC CLEAN UP	gen req	WK		\$ -		\$ -		\$ -	\$ -
01402	CLEAN STREETS	TRADES	WK	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
01403	FINAL CLEAN UP	gen req	SF		\$ -		\$ -		\$ -	\$ -
01404	RUBBISH CHUTE	-	LF		\$ -		\$ -		\$ -	\$ -
01405	DUST CONTROL	-	WK		\$ -		\$ -		\$ -	\$ -
01406	SNOW REMOVAL	-	HR		\$ -		\$ -		\$ -	\$ -
01408	TRASH REMOVAL	gen req	LD	\$ -	\$ -		\$ -		\$ -	\$ -
01409	PEST CONTROL	-	SF		\$ -		\$ -		\$ -	\$ -
01410	CLEAN GLASS	FINAL CLE/	SF		\$ -		\$ -		\$ -	\$ -
01411	WARRANTY WORK	-	UNIT		\$ -		\$ -		\$ -	\$ -
01501	LADDERS	TRADES	FLR	\$ -	\$ -		\$ -		\$ -	\$ -
01502	SAFETY ITEMS	15.00	UNIT	\$ 600.00	\$ 9,000.00		\$ -		\$ -	\$ -
01503	FIRE PROTECTION	15.00	UNIT	\$ 150.00	\$ 2,250.00		\$ -		\$ -	\$ -
01504	TRAFFIC CONTROL	-	WK		\$ -		\$ -		\$ -	\$ -
01505	FLAGMAN	TRADES	WK		\$ -		\$ -		\$ -	\$ -
01506	FIRST AID	1.00	UNIT	\$ 500.00	\$ 500.00		\$ -		\$ -	\$ -
01508	PERIMETER PROT	gen req	LF		\$ -		\$ -		\$ -	\$ -
01509	OPENING PROTECTION	gen req	LF		\$ -		\$ -		\$ -	\$ -
01510	SIDEWALK CANOPY	gen req	MO		\$ -		\$ -		\$ -	\$ -
01601	ASSOCIATION FEE	-	UNIT		\$ -		\$ -		\$ -	\$ -
01602	BUILDING PERMIT	OWNER	UNIT		\$ -		\$ -		\$ -	\$ -
01603	PHOTOS	15.00	MO	\$ 50.00	\$ 750.00		\$ -		\$ -	\$ -
01604	TESTING SERVICES	OWNER	UNIT		\$ -		\$ -		\$ -	\$ -
01605	INSPECTION FEES	OWNER	UNIT		\$ -		\$ -		\$ -	\$ -
01606	CONTRACTS	1.00	UNIT	\$ 5,000.00	\$ 5,000.00		\$ -		\$ -	\$ -
01607	ROOF CONSULTANT	-	UNIT		\$ -		\$ -		\$ -	\$ -
01608	AS BUILTS	-	UNIT		\$ -		\$ -		\$ -	\$ -
01610	ACCOUNTING	15.00	MO	\$ -	\$ -	\$ 950.00	\$ 14,250.00		\$ -	\$ -

CODE	DESCRIPTION	EST QTY	UNIT	U.P. MTL	TOTAL MTL COST	U.P. LABOR	TOTAL LBR COST	U.P. EQUIPT	TOTAL EQUIPT COST	TOTAL SUB COST
01801	PERFORMANCE BOND	-	UNIT		\$ -		\$ -		\$ -	\$ -
01803	BUILDERS RISK INS	OWNER	UNIT		\$ -		\$ -		\$ -	\$ -
01804	PENSION/WEL GC	-	UNIT		\$ -		\$ -		\$ -	\$ -
01805	PAYROLL EXP. GC	-	UNIT		\$ -		\$ -		\$ -	\$ -
01806	GEN. LIAB. INSURANCE	LINE ITEM	UNIT		\$ -		\$ -		\$ -	\$ -
01807	WORKERS COMP. GC	-	UNIT		\$ -		\$ -		\$ -	\$ -
01808	SUB CONTRACTORS BOND	TRADES	UNIT		\$ -		\$ -		\$ -	\$ -
	FRINGES 55%				\$ 154,820.00		\$ 20,320.00		\$ -	\$ -
							\$ 11,176.00			
	LABOR TOTAL						\$ 31,496.00			

ACORD CERTIFICATE OF LIABILITY INSURANCE *EXHIBIT G*

DATE (MM/DD/YYYY)
01/06/2005

PRODUCER 847-654-8152 FAX 847-654-8153
T.J. Adams Group, LLC
333 East Butterfield Road
Lombard, IL 60128

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED W.E. O'Neil Construction Company
2751 N. Clybourn Ave.
Chicago, IL 60614

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Zurich American Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> xcu included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	GL02978893-04	03/31/2004	03/31/2005	EACH OCCURRENCE \$ 1,000,000
					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000
					MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comprehensive <input checked="" type="checkbox"/> Collision	BAP297889501-04	03/31/2004	03/31/2005	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE (Per accident) \$
					1,000 DED 1,000 DED
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	AUC5229924-03	03/31/2004	03/31/2005	EACH OCCURRENCE \$ 10,000,000
					AGGREGATE \$ 10,000,000
					\$
					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC2978892-04	03/31/2004	03/31/2005	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$
					E.L. EACH ACCIDENT \$ 1,000,000
					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
	OTHER				E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

re: Sauganash Place Condominiums

The following are listed as additional insured under general liability where required by written contract with respect to work performed by the named insured in connection with this project:
Peterson Cicero L.L.C.; Pappageorge Haymes, Ltd.

CERTIFICATE HOLDER

Peterson Cicero L.L.C.
c/o Brook Ridge Development
1141 E. Main Street
Suite 202
East Dundee, IL 60018

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Steve Barrett/SED

Steve Barrett

AIA[®] Document A201[™] – 1997

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address):

Sauganash Place Condominiums
6000 N. Cicero
Chicago, IL 60646

THE OWNER:

(Name and address):

Cicero/Peterson L.L.C.
c/o Brook-Ridge Development
1141 E. Main Street, Suite 202
East Dundee, IL 60018

THE ARCHITECT:

(Name and address):

Pappageorge Haymes Ltd.
814 N. Franklin Street, Suite 400
Chicago, IL 60610

TABLE OF ARTICLES

- | | |
|----|--|
| 1 | GENERAL PROVISIONS |
| 2 | OWNER |
| 3 | CONTRACTOR |
| 4 | ADMINISTRATION OF THE CONTRACT |
| 5 | SUBCONTRACTORS |
| 6 | CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS |
| 7 | CHANGES IN THE WORK |
| 8 | TIME |
| 9 | PAYMENTS AND COMPLETION |
| 10 | PROTECTION OF PERSONS AND PROPERTY |
| 11 | INSURANCE AND BONDS |
| 12 | UNCOVERING AND CORRECTION OF WORK |
| 13 | MISCELLANEOUS PROVISIONS |
| 14 | TERMINATION OR SUSPENSION OF THE CONTRACT |

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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

INDEX

(Numbers and Topics in Bold are Section Headings)

Acceptance of Nonconforming Work

9.6.6, 9.9.3, **12.3**

Acceptance of Work

9.6.6, 9.8.2, 9.9.3, 9.10.1, 9.10.3, 12.3

Access to Work

3.16, 6.2.1, 12.1

Accident Prevention

4.2.3, 10

Acts and Omissions

3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 4.3.8, 4.4.1, 8.3.1,

9.5.1, 10.2.5, 13.4.2, 13.7, 14.1

Addenda

1.1.1, 3.11

Additional Costs, Claims for

4.3.4, 4.3.5, 4.3.6, 6.1.1, 10.3

Additional Inspections and Testing

9.8.3, 12.2.1, 13.5

Additional Time, Claims for

4.3.4, 4.3.7, 8.3.2

ADMINISTRATION OF THE CONTRACT

3.1.3, 4, 9.4, 9.5

Advertisement or Invitation to Bid

1.1.1

Aesthetic Effect

4.2.13, 4.5.1

Allowances

3.8

All-risk Insurance

11.4.1.1

Applications for Payment

4.2.5, 7.3.8, 9.2, **9.3**, 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5,

9.10, 11.1.3, 14.2.4, 14.4.3

Approvals

2.4, 3.1.3, 3.5, 3.10.2, 3.12, 4.2.7, 9.3.2, 13.4.2, 13.5

Arbitration

4.3.3, 4.4, 4.5.1, 4.5.2, **4.6**, 8.3.1, 9.7.1, 11.4.9,

11.4.10

Architect

4.1

Architect, Definition of

4.1.1

Architect, Extent of Authority

2.4, 3.12.7, 4.2, 4.3.6, 4.4, 5.2, 6.3, 7.1.2, 7.3.6, 7.4,

9.2, 9.3.1, 9.4, 9.5, 9.8.3, 9.10.1, 9.10.3, 12.1, 12.2.1,

13.5.1, 13.5.2, 14.2.2, 14.2.4

Architect, Limitations of Authority and

Responsibility

2.1.1, 3.3.3, 3.12.4, 3.12.8, 3.12.10, 4.1.2, 4.2.1,

4.2.2, 4.2.3, 4.2.6, 4.2.7, 4.2.10, 4.2.12, 4.2.13, 4.4,

5.2.1, 7.4, 9.4.2, 9.6.4, 9.6.6

Architect's Additional Services and Expenses

2.4, 11.4.1.1, 12.2.1, 13.5.2, 13.5.3, 14.2.4

Architect's Administration of the Contract

3.1.3, **4.2**, 4.3.4, 4.4, 9.4, 9.5

Architect's Approvals

2.4, 3.1.3, 3.5.1, 3.10.2, 4.2.7

Architect's Authority to Reject Work

3.5.1, 4.2.6, 12.1.2, 12.2.1

Architect's Copyright

1.6

Architect's Decisions

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5,

4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4,

9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

Architect's Inspections

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 13.5

Architect's Instructions

3.2.3, 3.3.1, 4.2.6, 4.2.7, 4.2.8, 7.4.1, 12.1, 13.5.2

Architect's Interpretations

4.2.11, 4.2.12, 4.3.6

Architect's Project Representative

4.2.10

Architect's Relationship with Contractor

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1,

3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2,

4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4,

9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12,

13.4.2, 13.5

Architect's Relationship with Subcontractors

1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.4.7

Architect's Representations

9.4.2, 9.5.1, 9.10.1

Architect's Site Visits

4.2.2, 4.2.5, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1,

13.5

Asbestos

10.3.1

Attorneys' Fees

3.18.1, 9.10.2, 10.3.3

Award of Separate Contracts

6.1.1, 6.1.2

Award of Subcontracts and Other Contracts for Portions of the Work

5.2

Basic Definitions

1.1

Bidding Requirements

1.1.1, 1.1.7, 5.2.1, 11.5.1

Boiler and Machinery Insurance

11.4.2

Bonds, Lien

9.10.2

Bonds, Performance, and Payment

7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5

Building Permit

3.7.1

Capitalization

1.3

Certificate of Substantial Completion

9.8.3, 9.8.4, 9.8.5
Certificates for Payment
4.2.5, 4.2.9, 9.3.3, **9.4**, 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1,
9.10.3, 13.7, 14.1.1.3, 14.2.4
Certificates of Inspection, Testing or Approval
13.5.4
Certificates of Insurance
9.10.2, 11.1.3
Change Orders
1.1.1, 2.4.1, 3.4.2, 3.8.2.3, 3.11.1, 3.12.8, 4.2.8, 4.3.4,
4.3.9, 5.2.3, 7.1, **7.2**, 7.3, 8.3.1, 9.3.1.1, 9.10.3,
11.4.1.2, 11.4.4, 11.4.9, 12.1.2
Change Orders, Definition of
7.2.1
CHANGES IN THE WORK
3.11, 4.2.8, **7**, 8.3.1, 9.3.1.1, 11.4.9
Claim, Definition of
4.3.1
Claims and Disputes
3.2.3, **4.3**, 4.4, 4.5, 4.6, 6.1.1, 6.3, 7.3.8, 9.3.3, 9.10.4,
10.3.3
Claims and Timely Assertion of Claims
4.6.5
Claims for Additional Cost
3.2.3, 4.3.4, **4.3.5**, 4.3.6, 6.1.1, 7.3.8, 10.3.2
Claims for Additional Time
3.2.3, 4.3.4, **4.3.7**, 6.1.1, 8.3.2, 10.3.2
Claims for Concealed or Unknown Conditions
4.3.4
Claims for Damages
3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3,
11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4
Claims Subject to Arbitration
4.4.1, 4.5.1, 4.6.1
Cleaning Up
3.15, 6.3
Commencement of Statutory Limitation Period
13.7
Commencement of the Work, Conditions Relating to
2.2.1, 3.2.1, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 4.3.5, 5.2.1,
5.2.3, 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.4.1, 11.4.6,
11.5.1
Commencement of the Work, Definition of
8.1.2
Communications Facilitating Contract
Administration
3.9.1, **4.2.4**
Completion, Conditions Relating to
1.6.1, 3.4.1, 3.11, 3.15, 4.2.2, 4.2.9, 8.2, 9.4.2, 9.8,
9.9.1, 9.10, 12.2, 13.7, 14.1.2
COMPLETION, PAYMENTS AND
9
Completion, Substantial
4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3,
9.10.4.2, 12.2, 13.7
Compliance with Laws
1.6.1, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6.4,
4.6.6, 9.6.4, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1,
13.5.2, 13.6, 14.1.1, 14.2.1.3
Concealed or Unknown Conditions
4.3.4, 8.3.1, 10.3
Conditions of the Contract
1.1.1, 1.1.7, 6.1.1, 6.1.4
Consent, Written
1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2,
9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2
CONSTRUCTION BY OWNER OR BY
SEPARATE CONTRACTORS
1.1.4, **6**
Construction Change Directive, Definition of
7.3.1
Construction Change Directives
1.1.1, 3.12.8, 4.2.8, 4.3.9, 7.1, **7.3**, 9.3.1.1
Construction Schedules, Contractor's
1.4.1.2, 3.10, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3
Contingent Assignment of Subcontracts
5.4, 14.2.2.2
Continuing Contract Performance
4.3.3
Contract, Definition of
1.1.2
CONTRACT, TERMINATION OR
SUSPENSION OF THE
5.4.1.1, 11.4.9, **14**
Contract Administration
3.1.3, 4, 9.4, 9.5
Contract Award and Execution, Conditions Relating
to
3.7.1, 3.10, 5.2, 6.1, 11.1.3, 11.4.6, 11.5.1
Contract Documents, The
1.1, 1.2
Contract Documents, Copies Furnished and Use of
1.6, 2.2.5, 5.3
Contract Documents, Definition of
1.1.1
Contract Sum
3.8, 4.3.4, 4.3.5, 4.4.5, 5.2.3, 7.2, 7.3, 7.4, **9.1**, 9.4.2,
9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.4.1, 14.2.4, 14.3.2
Contract Sum, Definition of
9.1
Contract Time
4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1.3, 7.3, 7.4, 8.1.1, 8.2,
8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 14.3.2
Contract Time, Definition of
8.1.1
CONTRACTOR
3
Contractor, Definition of
3.1, 6.1.2
Contractor's Construction Schedules
1.4.1.2, **3.10**, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3
Contractor's Employees

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1,

Contractor's Liability Insurance

11.1

Contractor's Relationship with Separate Contractors and Owner's Forces

3.12.5, 3.14.2, 4.2.4, 6, 11.4.7, 12.1.2, 12.2.4

Contractor's Relationship with Subcontractors

1.2.2, 3.3.2, 3.18.1, 3.18.2, 5, 9.6.2, 9.6.7, 9.10.2, 11.4.1.2, 11.4.7, 11.4.8

Contractor's Relationship with the Architect

1.1.2, 1.6, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.3.1, 3.4.2, 3.5.1, 3.7.3, 3.10, 3.11, 3.12, 3.16, 3.18, 4.1.2, 4.1.3, 4.2, 4.3.4, 4.4.1, 4.4.7, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 11.4.7, 12, 13.4.2, 13.5

Contractor's Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.8.2

Contractor's Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Contractor's Review of Contract Documents

1.5.2, 3.2, 3.7.3

Contractor's Right to Stop the Work

9.7

Contractor's Right to Terminate the Contract

4.3.10, 14.1

Contractor's Submittals

3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2, 9.3, 9.8.2, 9.8.3, 9.9.1, 9.10.2, 9.10.3, 11.1.3, 11.5.2

Contractor's Superintendent

3.9, 10.2.6

Contractor's Supervision and Construction Procedures

1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 7.3.6, 8.2, 10, 12, 14

Contractual Liability Insurance

11.1.1.8, 11.2, 11.3

Coordination and Correlation

1.2, 1.5.2, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1

Copies Furnished of Drawings and Specifications

1.6, 2.2.5, 3.11

Copyrights

1.6, 3.17

Correction of Work

2.3, 2.4, 3.7.4, 4.2.1, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, 12.2, 13.7.1.3

Correlation and Intent of the Contract Documents
1.2

Cost, Definition of

7.3.6

Costs

2.4, 3.2.3, 3.7.4, 3.8.2, 3.15.2, 4.3, 5.4.2, 6.1.1, 6.2.3, 7.3.3.3, 7.3.6, 7.3.7, 7.3.8, 9.10.2, 10.3.2, 10.5, 11.3, 11.4, 12.1, 12.2.1, 12.2.4, 13.5, 14

Cutting and Patching

6.2.5, 3.14

Damage to Construction of Owner or Separate Contractors

3.14.2, 6.2.4, 9.2.1.5, 10.2.1.2, 10.2.5, 10.6, 11.1, 11.4, 12.2.4

Damage to the Work

3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.6, 11.4, 12.2.4

Damages, Claims for

3.2.3, 3.18, 4.3.10, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.1.1, 11.4.5, 11.4.7, 14.1.3, 14.2.4

Damages for Delay

6.1.1, 8.3.3, 9.5.1.6, 9.7, 10.3.2

Date of Commencement of the Work, Definition of
8.1.2

Date of Substantial Completion, Definition of
8.1.3

Day, Definition of

8.1.4

Decisions of the Architect

4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.3.4, 4.4.1, 4.4.5, 4.4.6, 4.5, 6.3, 7.3.6, 7.3.8, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.5.2, 14.2.2, 14.2.4

Decisions to Withhold Certification

9.4.1, 9.5, 9.7, 14.1.1.3

Defective or Nonconforming Work, Acceptance, Rejection and Correction of

2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.5.2, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1, 13.7.1.3

Defective Work, Definition of

3.5.1

Definitions

1.1, 2.1.1, 3.1, 3.5.1, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 4.3.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 7.3.6, 8.1, 9.1, 9.8.1

Delays and Extensions of Time

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1, 7.4.1, 8.3, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Disputes

4.1.4, 4.3, 4.4, 4.5, 4.6, 6.3, 7.3.8

Documents and Samples at the Site

3.11

Drawings, Definition of

1.1.5

Drawings and Specifications, Use and Ownership of

1.1.1, 1.3, 2.2.5, 3.11, 5.3

Effective Date of Insurance

8.2.2, 11.1.2

Emergencies

4.3.5, 10.6, 14.1.1.2

Employees, Contractor's

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3, 11.1.1, 11.4.7, 14.1, 14.2.1.1

Equipment, Labor, Materials and

1.1.3, 1.1.6, 3.4, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Execution and Progress of the Work

1.1.3, 1.2.1, 1.2.2, 2.2.3, 2.2.5, 3.1, 3.3, 3.4, 3.5, 3.7,
3.10, 3.12, 3.14, 4.2.2, 4.2.3, 4.3.3, 6.2.2, 7.1.3, 7.3.4,
8.2, 9.5, 9.9.1, 10.2, 10.3, 12.2, 14.2, 14.3

Extensions of Time

3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3, 7.4.1,
9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2

Failure of Payment

4.3.6, 9.5.1.3, 9.7, 9.10.2, 14.1.1.3, 14.2.1.2, 13.6

Faulty Work

(See Defective or Nonconforming Work)

Final Completion and Final Payment

4.2.1, 4.2.9, 4.3.2, 9.8.2, 9.10, 11.1.2, 11.1.3, 11.4.1,
11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3

Financial Arrangements, Owner's

2.2.1, 13.2.2, 14.1.1.5

Fire and Extended Coverage Insurance

11.4

GENERAL PROVISIONS

1

Governing Law

13.1

Guarantees (See Warranty)

Hazardous Materials

10.2.4, 10.3, 10.5

Identification of Contract Documents

1.5.1

Identification of Subcontractors and Suppliers

5.2.1

Indemnification

3.17, 3.18, 9.10.2, 10.3.3, 10.5, 11.4.1.2, 11.4.7

Information and Services Required of the Owner

2.1.2, 2.2, 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3,
6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3,
11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4

Injury or Damage to Person or Property

4.3.8, 10.2, 10.6

Inspections

3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.2,
9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.5

Instructions to Bidders

1.1.1

Instructions to the Contractor

3.2.3, 3.3.1, 3.8.1, 4.2.8, 5.2.1, 7, 12, 8.2.2, 13.5.2

Insurance

3.18.1, 6.1.1, 7.3.6, 8.2.1, 9.3.2, 9.8.4, 9.9.1, 9.10.2,
9.10.5, 11

Insurance, Boiler and Machinery

11.4.2

Insurance, Contractor's Liability

11.1

Insurance, Effective Date of

8.2.2, 11.1.2

Insurance, Loss of Use

11.4.3

Insurance, Owner's Liability

11.2

Insurance, Project Management Protective Liability

11.3

Insurance, Property

10.2.5, 11.4

Insurance, Stored Materials

9.3.2, 11.4.1.4

INSURANCE AND BONDS

11

Insurance Companies, Consent to Partial Occupancy

9.9.1, 11.4.1.5

Insurance Companies, Settlement with

11.4.10

Intent of the Contract Documents

1.2.1, 4.2.7, 4.2.12, 4.2.13, 7.4

Interest

13.6

Interpretation

1.2.3, 1.4, 4.1.1, 4.3.1, 5.1, 6.1.2, 8.1.4

Interpretations, Written

4.2.11, 4.2.12, 4.3.6

Joinder and Consolidation of Claims Required

4.6.4

Judgment on Final Award

4.6.6

Labor and Materials, Equipment

1.1.3, 1.1.6, 3.4, 3.5.1, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1,
4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3, 9.5.1.3,
9.10.2, 10.2.1, 10.2.4, 14.2.1.2

Labor Disputes

8.3.1

Laws and Regulations

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6,
9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1,
13.5.2, 13.6, 14

Liens

2.1.2, 4.4.8, 8.2.2, 9.3.3, 9.10

Limitation on Consolidation or Joinder

4.6.4

Limitations, Statutes of

4.6.3, 12.2.6, 13.7

Limitations of Liability

2.3, 3.2.1, 3.5.1, 3.7.3, 3.12.8, 3.12.10, 3.17, 3.18,
4.2.6, 4.2.7, 4.2.12, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.10.4,
10.3.3, 10.2.5, 11.1.2, 11.2.1, 11.4.7, 12.2.5, 13.4.2

Limitations of Time

2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1,
4.2.7, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4,
8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9,
9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5,
13.7, 14

Loss of Use Insurance

11.4.3

Material Suppliers

1.6, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.6, 9.10.5

Materials, Hazardous

10.2.4, 10.3, 10.5

Materials, Labor, Equipment and
1.1.3, 1.1.6, 1.6.1, 3.4, 3.5.1, 3.8.2, 3.8.23, 3.12, 3.13,
3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.6, 9.3.2, 9.3.3,
9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.2
Means, Methods, Techniques, Sequences and
Procedures of Construction
3.3.1, 3.12.10, 4.2.2, 4.2.7, 9.4.2
Mechanic's Lien
4.4.8
Mediation
4.4.1, 4.4.5, 4.4.6, 4.4.8, 4.5, 4.6.1, 4.6.2, 8.3.1, 10.5
Minor Changes in the Work
1.1.1, 3.12.8, 4.2.8, 4.3.6, 7.1, 7.4
MISCELLANEOUS PROVISIONS
13
Modifications, Definition of
1.1.1
Modifications to the Contract
1.1.1, 1.1.2, 3.7.3, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1,
9.7, 10.3.2, 11.4.1
Mutual Responsibility
6.2
Nonconforming Work, Acceptance of
9.6.6, 9.9.3, 12.3
Nonconforming Work, Rejection and Correction of
2.3, 2.4, 3.5.1, 4.2.6, 6.2.5, 9.5.1, 9.8.2, 9.9.3, 9.10.4,
12.2.1, 13.7.1.3
Notice
2.2.1, 2.3, 2.4, 3.2.3, 3.3.1, 3.7.2, 3.7.4, 3.12.9, 4.3,
4.4.8, 4.6.5, 5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 11.1.3,
11.4.6, 12.2.2, 12.2.4, 13.3, 13.5.1, 13.5.2, 14.1, 14.2
Notice, Written
2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5,
5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6,
12.2.2, 12.2.4, 13.3, 14
Notice of Testing and Inspections
13.5.1, 13.5.2
Notice to Proceed
8.2.2
Notices, Permits, Fees and
2.2.2, 3.7, 3.13, 7.3.6.4, 10.2.2
Observations, Contractor's
1.5.2, 3.2, 3.7.3, 4.3.4
Occupancy
2.2.2, 9.6.6, 9.8, 11.4.1.5
Orders, Written
1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2,
13.5.2, 14.3.1
OWNER
2
Owner, Definition of
2.1
Owner, Information and Services Required of the
2.1.2, 2.2, 3.2.1, 3.12.4, 3.12.10, 4.2.7, 4.3.3, 6.1.3,
6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3,
11.2, 11.4, 13.5.1, 13.5.2, 14.1.1.4, 14.1.4
Owner's Authority

1.6, 2.1.1, 2.3, 2.4, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2,
4.1.3, 4.2.4, 4.2.9, 4.3.6, 4.4.7, 5.2.1, 5.2.4, 5.4.1,
6.1, 6.3, 7.2.1, 7.3.1, 8.2.2, 8.3.1, 9.3.1, 9.3.2, 9.5.1,
9.9.1, 9.10.2, 10.3.2, 11.1.3, 11.3.1, 11.4.3, 11.4.10,
12.2.2, 12.3.1, 13.2.2, 14.3, 14.4
Owner's Financial Capability
2.2.1, 13.2.2, 14.1.1.5
Owner's Liability Insurance
11.2
Owner's Loss of Use Insurance
11.4.3
Owner's Relationship with Subcontractors
1.1.2, 5.2, 5.3, 5.4, 9.6.4, 9.10.2, 14.2.2
Owner's Right to Carry Out the Work
2.4, 12.2.4, 14.2.2.2
Owner's Right to Clean Up
6.3
Owner's Right to Perform Construction and to
Award Separate Contracts
6.1
Owner's Right to Stop the Work
2.3
Owner's Right to Suspend the Work
14.3
Owner's Right to Terminate the Contract
14.2
Ownership and Use of Drawings, Specifications
and Other Instruments of Service
1.1.1, 1.6, 2.2.5, 3.2.1, 3.11.1, 3.17.1, 4.2.12, 5.3
Partial Occupancy or Use
9.6.6, 9.9, 11.4.1.5
Patching, Cutting and
3.14, 6.2.5
Patents
3.17
Payment, Applications for
4.2.5, 7.3.8, 9.2, 9.3, 9.4, 9.5.1, 9.6.3, 9.7.1, 9.8.5,
9.10.1, 9.10.3, 9.10.5, 11.1.3, 14.2.4, 14.4.3
Payment, Certificates for
4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7.1, 9.10.1,
9.10.3, 13.7, 14.1.1.3, 14.2.4
Payment, Failure of
4.3.6, 9.5.1.3, 9.7, 9.10.2, 14.1.1.3, 14.2.1.2, 13.6
Payment, Final
4.2.1, 4.2.9, 4.3.2, 9.8.2, 9.10, 11.1.2, 11.1.3, 11.4.1,
11.4.5, 12.3.1, 13.7, 14.2.4, 14.4.3
Payment Bond, Performance Bond and
7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5
Payments, Progress
4.3.3, 9.3, 9.6, 9.8.5, 9.10.3, 13.6, 14.2.3
PAYMENTS AND COMPLETION
9
Payments to Subcontractors
5.4.2, 9.5.1.3, 9.6.2, 9.6.3, 9.6.4, 9.6.7, 11.4.8,
14.2.1.2
PCB
10.3.1

Performance Bond and Payment Bond

7.3.6.4, 9.6.7, 9.10.3, 11.4.9, 11.5

Permits, Fees and Notices

2.2.2, 3.7, 3.13, 7.3.6.4, 10.2.2

PERSONS AND PROPERTY, PROTECTION OF
10

Polychlorinated Biphenyl

10.3.1

Product Data, Definition of

3.12.2

Product Data and Samples, Shop Drawings

3.11, 3.12, 4.2.7

Progress and Completion

4.2.2, 4.3.3, 8.2, 9.8, 9.9.1, 14.1.4

Progress Payments

4.3.3, 9.3, 9.6, 9.8.5, 9.10.3, 13.6, 14.2.3

Project, Definition of the

1.1.4

Project Management Protective Liability

Insurance

11.3

Project Manual, Definition of the

1.1.7

Project Manuals

2.2.5

Project Representatives

4.2.10

Property Insurance

10.2.5, 11.4

PROTECTION OF PERSONS AND PROPERTY
10

Regulations and Laws

1.6, 3.2.2, 3.6, 3.7, 3.12.10, 3.13, 4.1.1, 4.4.8, 4.6, 9.6.4, 9.9.1, 10.2.2, 11.1, 11.4, 13.1, 13.4, 13.5.1, 13.5.2, 13.6, 14

Rejection of Work

3.5.1, 4.2.6, 12.2.1

Releases and Waivers of Liens

9.10.2

Representations

1.5.2, 3.5.1, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.8.2, 9.10.1

Representatives

2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.1, 4.2.10, 5.1.1, 5.1.2, 13.2.1

Resolution of Claims and Disputes

4.4, 4.5, 4.6

Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.3, 4.3.8, 5.3.1, 6.1.3, 6.2, 6.3, 9.5.1, 10

Retainage

9.3.1, 9.6.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3

Review of Contract Documents and Field Conditions by Contractor

1.5.2, 3.2, 3.7.3, 3.12.7, 6.1.3

Review of Contractor's Submittals by Owner and Architect

3.10.1, 3.10.2, 3.11, 3.12, 4.2, 5.2, 6.1.3, 9.2, 9.8.2

Review of Shop Drawings, Product Data and

Samples by Contractor

3.12

Rights and Remedies

1.1.2, 2.3, 2.4, 3.5.1, 3.15.2, 4.2.6, 4.3.4, 4.5, 4.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.2, 12.2.4, 13.4, 14

Royalties, Patents and Copyrights

3.17

Rules and Notices for Arbitration

4.6.2

Safety of Persons and Property

10.2, 10.6

Safety Precautions and Programs

3.3.1, 4.2.2, 4.2.7, 5.3.1, 10.1, 10.2, 10.6

Samples, Definition of

3.12.3

Samples, Shop Drawings, Product Data and

3.11, 3.12, 4.2.7

Samples at the Site, Documents and

3.11

Schedule of Values

9.2, 9.3.1

Schedules,

1.4.1.2, 3.10, 3.10.1, 3.10.2, 3.12.1, 3.12.2, 4.3.7.2, 6.1.3

Separate Contracts and Contractors

1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 4.6.4, 6, 8.3.1, 11.4.7, 12.1.2, 12.2.5

Shop Drawings, Definition of

3.12.1

Shop Drawings, Product Data and Samples

3.11, 3.12, 4.2.7

Site, Use of

3.13, 6.1.1, 6.2.1

Site Inspections

1.2.2, 3.2.1, 3.3.3, 3.7.1, 4.2, 4.3.4, 9.4.2, 9.10.1, 13.5

Site Visits, Architect's

4.2.2, 4.2.9, 4.3.4, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.5

Special Inspections and Testing

4.2.6, 12.2.1, 13.5

Specifications, Definition of the

1.1.6

Specifications, The

1.1.1, 1.1.6, 1.1.7, 1.2.2, 1.6, 3.11, 3.12.10, 3.17

Statute of Limitations

4.6.3, 12.2.6, 13.7

Stopping the Work

2.3, 4.3.6, 9.7, 10.3, 14.1

Stored Materials

6.2.1, 9.3.2, 10.2.1.2, 10.2.4, 11.4.1.4

Subcontractor, Definition of

5.1.1

SUBCONTRACTORS

5
 Subcontractors, Work by
 1.2.2, 3.3.2, 3.12.1, 4.2.3, 5.2.3, 5.3, 5.4, 9.3.1.2,
 9.6.7
Subcontractual Relations
 5.3, 5.4, 9.3.1.2, 9.6, 9.10 10.2.1, 11.4.7, 11.4.8, 14.1,
 14.2.1, 14.3.2
 Submittals
 1.6, 3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.6, 9.2,
 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3, 11.1.3
Subrogation, Waivers of
 6.1.1, 11.4.5, 11.4.7
Substantial Completion
 4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3,
 9.10.4.2, 12.2, 13.7
 Substantial Completion, Definition of
 9.8.1
 Substitution of Subcontractors
 5.2.3, 5.2.4
 Substitution of Architect
 4.1.3
 Substitutions of Materials
 3.4.2, 3.5.1, 7.3.7
 Sub-subcontractor, Definition of
 5.1.2
 Subsurface Conditions
 4.3.4
Successors and Assigns
 13.2
Superintendent
 3.9, 10.2.6
Supervision and Construction Procedures
 1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 4.3.3, 6.1.3,
 6.2.4, 7.1.3, 7.3.6, 8.2, 8.3.1, 9.4.2, 10, 12, 14
 Surety
 4.4.7, 5.4.1.2, 9.8.5, 9.10.2, 9.10.3, 14.2.2
 Surety, Consent of
 9.10.2, 9.10.3
 Surveys
 2.2.3
Suspension by the Owner for Convenience
 14.4
 Suspension of the Work
 5.4.2, 14.3
 Suspension or Termination of the Contract
 4.3.6, 5.4.1.1, 11.4.9, 14
Taxes
 3.6, 3.8.2.1, 7.3.6.4
Termination by the Contractor
 4.3.10, 14.1
Termination by the Owner for Cause
 4.3.10, 5.4.1.1, 14.2
 Termination of the Architect
 4.1.3
 Termination of the Contractor
 14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT

14
Tests and Inspections
 3.1.3, 3.3.3, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2,
 9.10.1, 10.3.2, 11.4.1.1, 12.2.1, 13.5
TIME
 8
Time, Delays and Extensions of
 3.2.3, 4.3.1, 4.3.4, 4.3.7, 4.4.5, 5.2.3, 7.2.1, 7.3.1,
 7.4.1, 8.3, 9.5.1, 9.7.1, 10.3.2, 10.6.1, 14.3.2
 Time Limits
 2.1.2, 2.2, 2.4, 3.2.1, 3.7.3, 3.10, 3.11, 3.12.5, 3.15.1,
 4.2, 4.3, 4.4, 4.5, 4.6, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4,
 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9,
 9.10, 11.1.3, 11.4.1.5, 11.4.6, 11.4.10, 12.2, 13.5,
 13.7, 14
Time Limits on Claims
 4.3.2, 4.3.4, 4.3.8, 4.4, 4.5, 4.6
 Title to Work
 9.3.2, 9.3.3
UNCOVERING AND CORRECTION OF WORK
 12
Uncovering of Work
 12.1
 Unforeseen Conditions
 4.3.4, 8.3.1, 10.3
 Unit Prices
 4.3.9, 7.3.3.2
 Use of Documents
 1.1.1, 1.6, 2.2.5, 3.12.6, 5.3
Use of Site
 3.13, 6.1.1, 6.2.1
Values, Schedule of
 9.2, 9.3.1
 Waiver of Claims by the Architect
 13.4.2
 Waiver of Claims by the Contractor
 4.3.10, 9.10.5, 11.4.7, 13.4.2
 Waiver of Claims by the Owner
 4.3.10, 9.9.3, 9.10.3, 9.10.4, 11.4.3, 11.4.5, 11.4.7,
 12.2.2.1, 13.4.2, 14.2.4
Waiver of Consequential Damages
 4.3.10, 14.2.4
 Waiver of Liens
 9.10.2, 9.10.4
Waivers of Subrogation
 6.1.1, 11.4.5, 11.4.7
Warranty
 3.5, 4.2.9, 4.3.5.3, 9.3.3, 9.8.4, 9.9.1, 9.10.4, 12.2.2,
 13.7.1.3
 Weather Delays
 4.3.7.2
 Work, Definition of
 1.1.3
 Written Consent

1.6, 3.4.2, 3.12.8, 3.14.2, 4.1.2, 4.3.4, 4.6.4, 9.3.2,
9.8.5, 9.9.1, 9.10.2, 9.10.3, 11.4.1, 13.2, 13.4.2

Written Interpretations

4.2.11, 4.2.12, 4.3.6

Written Notice

2.3, 2.4, 3.3.1, 3.9, 3.12.9, 3.12.10, 4.3, 4.4.8, 4.6.5,
5.2.1, 8.2.2, 9.7, 9.10, 10.2.2, 10.3, 11.1.3, 11.4.6,
12.2.2, 12.2.4, 13.3, 14

Written Orders

1.1.1, 2.3, 3.9, 4.3.6, 7, 8.2.2, 11.4.9, 12.1, 12.2,
13.5.2, 14.3.1

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of the Agreement between Owner and Contractor (hereinafter the Agreement), Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include other documents such as bidding requirements (advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or portions of Addenda relating to bidding requirements).

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or Sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner or by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 THE PROJECT MANUAL

The Project Manual is a volume assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

§ 1.3.1 Terms capitalized in these General Conditions include those which are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

§ 1.4.1 In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 EXECUTION OF CONTRACT DOCUMENTS

§ 1.5.1 The Contract Documents shall be signed by the Owner and Contractor. If either the Owner or Contractor or both do not sign all the Contract Documents, the Architect shall identify such unsigned Documents upon request.

§ 1.5.2 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 1.6 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.6.1 The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service through which the Work to be executed by the Contractor is described. The Contractor may retain one record set. Neither the Contractor nor any Subcontractor, Sub-subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect or the Architect's consultants, and unless otherwise indicated the Architect and the Architect's consultants shall be deemed the authors of them and will retain all common law, statutory and other reserved rights, in addition to the copyrights. All copies of Instruments of Service, except the Contractor's record set, shall be returned or suitably accounted for to the Architect, on request, upon completion of the Work. The Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, Sub-subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants. The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' copyrights or other reserved rights.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 The Owner shall, at the written request of the Contractor, prior to commencement of the Work and thereafter, furnish to the Contractor reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Contract. Furnishing of such evidence shall be a condition precedent to commencement or

continuation of the Work. After such evidence has been furnished, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees, including those required under Section 3.7.1, which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 Information or services required of the Owner by the Contract Documents shall be furnished by the Owner with reasonable promptness. Any other information or services relevant to the Contractor's performance of the Work under the Owner's control shall be furnished by the Owner after receipt from the Contractor of a written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Contractor will be furnished, free of charge, such copies of Drawings and Project Manuals as are reasonably necessary for execution of the Work.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

§ 2.3.1 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or persistently fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

§ 2.4.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period give the Contractor a second written notice to correct such deficiencies within a three-day period. If the Contractor within such three-day period after receipt of such second notice fails to commence and continue to correct any deficiencies, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Since the Contract Documents are complementary, before starting each portion of the Work, the Contractor shall carefully study and compare the various Drawings and other Contract Documents relative to that portion of the

Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, any errors, inconsistencies or omissions discovered by the Contractor shall be reported promptly to the Architect as a request for information in such form as the Architect may require.

§ 3.2.2 Any design errors or omissions noted by the Contractor during this review shall be reported promptly to the Architect, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents. The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations, but any nonconformity discovered by or made known to the Contractor shall be reported promptly to the Architect.

§ 3.2.3 If the Contractor believes that additional cost or time is involved because of clarifications or instructions issued by the Architect in response to the Contractor's notices or requests for information pursuant to Sections 3.2.1 and 3.2.2, the Contractor shall make Claims as provided in Sections 4.3.6 and 4.3.7. If the Contractor fails to perform the obligations of Sections 3.2.1 and 3.2.2, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. The Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents or for differences between field measurements or conditions and the Contract Documents unless the Contractor recognized such error, inconsistency, omission or difference and knowingly failed to report it to the Architect.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any resulting loss or damage.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 The Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 3.5 WARRANTY

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may shall be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

§ 3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor which are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES AND NOTICES

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract and which are legally required when bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, if the Contractor observes that portions of the Contract Documents are at variance therewith, the Contractor shall promptly notify the Architect and Owner in writing, and necessary changes shall be accomplished by appropriate Modification.

§ 3.7.4 If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Architect and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents:

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances;
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important

communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare and keep current, for the Architect's approval, a schedule of submittals which is coordinated with the Contractor's construction schedule and allows the Architect reasonable time to review submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

§ 3.11.1 The Contractor shall maintain at the site for the Owner one record copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to record field changes and selections made during construction, and one record copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Contract Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals which are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals which are not marked as reviewed for compliance with the Contract Documents and approved by the Contractor may be returned by the Architect without action.

§ 3.12.6 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

§ 3.13 USE OF SITE

§ 3.13.1 The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

§ 3.16 ACCESS TO WORK

§ 3.16.1 The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

§ 3.17.1 The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Section 11.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ADMINISTRATION OF THE CONTRACT

§ 4.1 ARCHITECT

§ 4.1.1 The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a new Architect against whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the former Architect.

§ 4.2 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents, and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Section 12.2. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified in writing in accordance with other provisions of the Contract.

§ 4.2.2 The Architect, as a representative of the Owner, will visit the site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and

deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications Facilitating Contract Administration. Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If no agreement is made concerning the time within which interpretations required of the Architect shall be furnished in compliance with this Section 4.2, then delay shall not be recognized on account of failure by the Architect to furnish such interpretations until 15 days after written request is made for them.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and initial decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions so rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.3 CLAIMS AND DISPUTES

§ 4.3.1 Definition. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 4.3.2 Time Limits on Claims. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the Architect and the other party.

§ 4.3.3 Continuing Contract Performance. Pending final resolution of a Claim except as otherwise agreed in writing or as provided in Section 9.7.1 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 4.3.4 Claims for Concealed or Unknown Conditions. If conditions are encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall so notify the Owner and Contractor in writing, stating the reasons. Claims by either party in opposition to such determination must be made within 21 days after the Architect has given notice of the decision. If the conditions encountered are materially different, the Contract Sum and Contract Time shall be equitably adjusted, but if the Owner and Contractor cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment shall be referred to the Architect for initial determination, subject to further proceedings pursuant to Section 4.4.

§ 4.3.5 Claims for Additional Cost. If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.6.

§ 4.3.6 If the Contractor believes additional cost is involved for reasons including but not limited to (1) a written interpretation from the Architect, (2) an order by the Owner to stop the Work where the Contractor was not at fault, (3) a written order for a minor change in the Work issued by the Architect, (4) failure of payment by the Owner, (5) termination of the Contract by the Owner, (6) Owner's suspension or (7) other reasonable grounds, Claim shall be filed in accordance with this Section 4.3.

§ 4.3.7 Claims for Additional Time

§ 4.3.7.1 If the Contractor wishes to make Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay only one Claim is necessary.

§ 4.3.7.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 4.3.8 Injury or Damage to Person or Property. If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 4.3.9 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 4.3.10 Claims for Consequential Damages. The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes:

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 4.3.10 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 4.4 RESOLUTION OF CLAIMS AND DISPUTES

§ 4.4.1 Decision of Architect. Claims, including those alleging an error or omission by the Architect but excluding those arising under Sections 10.3 through 10.5, shall be referred initially to the Architect for decision. An initial decision by the Architect shall be required as a condition precedent to mediation, arbitration or litigation of all Claims between the Contractor and Owner arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Architect with no decision having been rendered by the Architect. The Architect will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 4.4.2 The Architect will review Claims and within ten days of the receipt of the Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Architect is unable to resolve the Claim if the Architect lacks sufficient information to evaluate the merits of the Claim or if the Architect concludes that, in the Architect's sole discretion, it would be inappropriate for the Architect to resolve the Claim.

§ 4.4.3 In evaluating Claims, the Architect may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Architect in rendering a decision. The Architect may request the Owner to authorize retention of such persons at the Owner's expense.

§ 4.4.4 If the Architect requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either provide a response on the requested supporting data, advise the Architect when the response or supporting data will be furnished or advise the Architect that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Architect will either reject or approve the Claim in whole or in part.

§ 4.4.5 The Architect will approve or reject Claims by written decision, which shall state the reasons therefor and which shall notify the parties of any change in the Contract Sum or Contract Time or both. The approval or rejection of a Claim by the Architect shall be final and binding on the parties but subject to mediation and arbitration.

§ 4.4.6 When a written decision of the Architect states that (1) the decision is final but subject to mediation and arbitration and (2) a demand for arbitration of a Claim covered by such decision must be made within 30 days after the date on which the party making the demand receives the final written decision, then failure to demand arbitration within said 30 days' period shall result in the Architect's decision becoming final and binding upon the Owner and Contractor. If the Architect renders a decision after arbitration proceedings have been initiated, such decision may be entered as evidence, but shall not supersede arbitration proceedings unless the decision is acceptable to all parties concerned.

§ 4.4.7 Upon receipt of a Claim against the Contractor or at any time thereafter, the Architect or the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Architect or the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 4.4.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the Claim by the Architect, by mediation or by arbitration.

§ 4.5 MEDIATION

~~§ 4.5.1 Any Claim arising out of or related to the Contract, except Claims relating to aesthetic effect and except those waived as provided for in Sections 4.3.10, 9.10.4 and 9.10.5 shall, after initial decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.~~

~~§ 4.5.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.~~

~~§ 4.5.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.~~

§ 4.6 ARBITRATION

~~§ 4.6.1 Any Claim arising out of or related to the Contract, except Claims relating to aesthetic effect and except those waived as provided for in Sections 4.3.10, 9.10.4 and 9.10.5, shall, after decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to arbitration. Prior to arbitration, the parties shall endeavor to resolve disputes by mediation in accordance with the provisions of Section 4.5.~~

~~§ 4.6.2 Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association, and a copy shall be filed with the Architect.~~

~~§ 4.6.3 A demand for arbitration shall be made within the time limits specified in Sections 4.4.6 and 4.6.1 as applicable, and in other cases within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations as determined pursuant to Section 13.7.~~

~~§ 4.6.4 Limitation on Consolidation or Joinder. No arbitration arising out of or relating to the Contract shall include, by consolidation or joinder or in any other manner, the Architect, the Architect's employees or consultants, except by written consent containing specific reference to the Agreement and signed by the Architect, Owner, Contractor and any other person or entity sought to be joined. No arbitration shall include, by consolidation or joinder or in any other manner, parties other than the Owner, Contractor, a separate contractor as described in Article 6 and other persons substantially involved in a common question of fact or law whose presence is required if complete relief is to be accorded in arbitration. No person or entity other than the Owner, Contractor or a separate contractor as described in Article 6 shall be included as an original third party or additional third party to an arbitration whose interest or responsibility is insubstantial. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described therein or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.~~

~~§ 4.6.5 Claims and Timely Assertion of Claims. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.~~

~~§ 4.6.6 Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect will promptly reply to the Contractor in writing stating whether or not the Owner or the Architect, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Architect to reply promptly shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not change a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitute.

§ 5.3 SUBCONTRACTUAL RELATIONS

§ 5.3.1 By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner provided that:

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements which the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Section 4.3.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

§ 6.2.4 The Contractor shall promptly remedy damage wrongfully caused by the Contractor to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

§ 6.3.1 If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect, stating their agreement upon all of the following:

- .1 change in the Work;
- .2 the amount of the adjustment, if any, in the Contract Sum; and
- .3 the extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Methods used in determining adjustments to the Contract Sum may include those listed in Section 7.3.3.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 as provided in Section 7.3.6.

§ 7.3.4 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.5 A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.6 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined by the Architect on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.6 shall be limited to the following:

- .1 costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.7 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.8 Pending final determination of the total cost of a Construction Change Directive to the Owner, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Architect will make an interim determination for purposes of monthly certification for payment for those costs. That determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a claim in accordance with Article 4.

§ 7.3.9 When the Owner and Contractor agree with the determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ 7.4 MINOR CHANGES IN THE WORK

§ 7.4.1 The Architect will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Contract Documents or a notice to proceed given by the Owner, the Contractor shall notify the Owner in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, or by delay authorized by the Owner pending mediation and arbitration, or by other causes which the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Section 4.3.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

§ 9.2.1 Before the first Application for Payment, the Contractor shall submit to the Architect a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for operations completed in accordance with the schedule of values. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to

payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and reflecting retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.8, such applications may include requests for payment on account of changes in the Work which have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Such applications may not include requests for payment for portions of the Work for which the Contractor does not intend to pay to a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of:

- .1 defective Work not remedied;

- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or another contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 persistent failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 9.6.5 Payment to material suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

§ 9.7.1 If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by arbitration, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.4.1.5 and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in

the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from:

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

§ 10.1.1 The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up, which adjustments shall be accomplished as provided in Article 7.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.

§ 10.4 The Owner shall not be responsible under Section 10.3 for materials and substances brought to the site by the Contractor unless such materials or substances were required by the Contract Documents.

§ 10.5 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

§ 10.6 EMERGENCIES

§ 10.6.1 In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Section 4.3 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- .2 claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 claims for damages insured by usual personal injury liability coverage;
- .5 claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 claims for bodily injury or property damage arising out of completed operations; and
- .8 claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of the Work until date of final payment and termination of any coverage required to be maintained after final payment.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled materially reduced or allowed to expire until at least 30 days' prior written notice has been given to the Owner. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Section 9.10.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

11.1.4 "The specific insurance requirements for the Project set forth in an Exhibit to the Agreement, and to the extent there is any inconsistency between such Exhibit and the provisions of this Article 11, the Exhibit shall control. If Owner's financial partner, lender or insurance carrier for the Project requires that the insurance requirements set forth in the Contract Documents be modified, Contractor agrees to enter into a suitable modification of the provision hereof, provided Owner bears any additional direct cost occasioned thereby."

§ 11.2 OWNER'S LIABILITY INSURANCE

§ 11.2.1 The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE

~~§ 11.3.1~~ Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the Contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage, and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Sections 11.1.1.2 through 11.1.1.5.

~~§ 11.3.2~~ To the extent damages are covered by Project Management Protective Liability insurance, the Owner, Contractor and Architect waive all rights against each other for damages, except such rights as they may have to the proceeds of such insurance. The policy shall provide for such waivers of subrogation by endorsement or otherwise.

~~§ 11.3.3~~ The Owner shall not require the Contractor to include the Owner, Architect or other persons or entities as additional insureds on the Contractor's Liability Insurance coverage under Section 11.1.

§ 11.4 PROPERTY INSURANCE

§ 11.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.4 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.4.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.4.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance which will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

~~§ 11.4.1.3~~ If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

~~§ 11.4.1.4~~ This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.4.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.4.2 Boiler and Machinery Insurance. The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during ~~installation and until final acceptance by the testing and thereafter, Owner;~~ this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.4.3 Loss of Use Insurance. The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.4.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.4.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.4.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.4.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.4. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.4.7 Waivers of Subrogation. The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.4.8 A loss insured under Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.4.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.4.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or in accordance with an arbitration award in which case the procedure shall be as provided in Section 4.6. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.4.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved as provided in Sections 4.5 and 4.6. The Owner as fiduciary shall, in the case of arbitration, make settlement with insurers in accordance with directions of the arbitrators. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution.

§ 11.5 PERFORMANCE BOND AND PAYMENT BOND

§ 11.5.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.5.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered which the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

§ 12.2.1.1 The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

§ 12.3.1 If the Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

§ 13.1.1 The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to an institutional lender providing construction financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

§ 13.3.1 Written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or if delivered at or sent by registered or certified mail to the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of

when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

§ 13.6.1 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

§ 13.7.1 As between the Owner and Contractor:

- .1 Before Substantial Completion. As to acts or failures to act occurring prior to the relevant date of Substantial Completion, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than such date of Substantial Completion;
- .2 Between Substantial Completion and Final Certificate for Payment. As to acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to issuance of the final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of issuance of the final Certificate for Payment; and
- .3 After Final Certificate for Payment. As to acts or failures to act occurring after the relevant date of issuance of the final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of any act or failure to act by the Contractor pursuant to any Warranty provided under Section 3.5, the date of any correction of the Work or failure to correct the Work by the Contractor under Section 12.2, or the date of actual commission of any other act or failure to perform any duty or obligation by the Contractor or Owner, whichever occurs last.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped;

- .2 an act of government, such as a declaration of national emergency which requires all Work to be stopped;
- .3 because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 the Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including reasonable overhead, profit and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has persistently failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Architect that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 accept assignment of subcontracts pursuant to Section 5.4; and
- .3 finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent:

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall:

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

EXHIBIT E

ESCROW AGREEMENT

(To be attached at Closing)

1515

Lakeside - Peterson Cicero 3rd Mod, Escrow *

LAKESIDE BANK MONEY LENDER'S ESCROW TRUST INSTRUCTIONS

DATE: APRIL 28, 2005

TITLE COMMITMENT NO. & ESCROW TRUST NO. 05-0025

**TO: Guaranty National Title Company ("GNT"), 36 W. Randolph St., 8th Floor, Chicago, Illinois 60601, Attn: Georgeann C. Losurdo, Phone (312) 609-2700 ext 119 (Fax -2720)
email: georgeann@gntchicago.com**

**Loan Amount: \$26,000,000.00 Property: NWC Peterson & Cicero Avenue
Chicago, Illinois**

**Lender: LAKESIDE BANK, 55 W. Wacker Drive, Chicago, IL 60601, Attn: David Pinkerton, Sr. VP, (312) 435-1631 (Fax: 312- 276-2383)
email: dpinkerton@lakesidebank.com**

Lender's Counsel: John J. Turner, Law Offices of Victor J. Cacciatore, 527 S. Wells St., 8th Floor, Chicago, IL 60607 (312) 987-1900 (Fax-4603) email: jturner@lovjc.com.

Borrower: PETERSON CICERO, LLC, an Illinois limited liability company (the "Company"), and LAKESIDE BANK, not personally but solely in its capacity as a land trustee under Trust Agreement No. 10-2690 dated May 4, 2004 (the "Trust" or the "Trustee")

Borrower's Counsel: Stephen Pokorny, 6 West Hubbard St., Suite 800, Chicago, IL 60610 (312) 540-0600 (Fax-0610) email: spokorny@lpspsfe.com

1. The Lender will, by wire transfer and provided you are then prepared to comply with the terms hereof, deposit with you as Escrow Trustee that portion (hereinafter, the "Initial Advance") of the Loan which is designated as the initial advance thereunder in that certain "Direction to Disburse Loan Proceeds" (the "Loan Statement") a copy of which is hereby (or will hereafter be faxed to you, and to be) attached hereto;

2. The Lender will cause to be deposited with you as Escrow Trustee: (a) that certain "Memorandum of Third Loan Modification" dated March 15, 2005, as executed by the Lender, the Trustee and the Company (the "Memorandum"), and (b) an original ~~assignment~~ ~~counterpart~~ ~~by Lender~~ of that certain "Subordination and Intercreditor Agreement" (the "Intercreditor Agreement") between Lender and The Peterson Cicero Limited Partnership ("PCLP"), regarding a \$3,606,497.00 junior loan from PCLP to the Borrower (the "Junior Loan").

Lakeside - Peterson Cicero 3rd Mod, Escrow *

3. The Borrower will cause to be deposited with you as Escrow Trustee: (a) ~~as original counterpart of the Intercreditor Agreement as executed by FCBF;~~ (b) ALTA Statement certifying that Whole Foods Market Group, Inc., is the only lessee of the Property; and (c) Borrower's Personal Undertaking (GAP).

4. You are directed to record the Memorandum and the Intercreditor Agreement, and, (A) when you are prepared to issue a then current later-date of the subject Title Commitment showing fee title in the Trustee, coverage in the amount of the Loan, containing the "Required Endorsements" listed on Page 3 hereof and subject only to those "Permitted Exceptions" listed on said Page 3; and (B) when you have delivered to the Lender and the Lender's Counsel (by fax or otherwise) a fully executed set of these Instructions, and (C) **WHEN YOU HAVE RECEIVED FROM THE LENDER OR LENDER'S COUNSEL, BY FAX OR OTHERWISE, APPROVAL TO PROCEED**, you are then authorized and directed to proceed as follows:

- (a) Disburse the Initial Advance in accordance with the said Loan Statement.
- (b) Immediately deliver to the Lender (by fax or otherwise) (i) your Escrowee Disbursement Statement, (ii) the aforesaid later date as marked up by you "New York style" and covering the Modification, and (iii) copies of the Modification and the Intercreditor Agreement as certified by you.

5. Promptly upon your receipt thereof, you are to deliver to Lender's Counsel: originals of the recorded Modification and Intercreditor Agreement.

6. Title, recording and escrow charges are to be paid by the Borrower.

7. If you are not prepared to disburse the Proceeds pursuant to these Instructions on or before **May 1, 2005**, then upon written demand of the Lender, and upon notice to the Borrower, you are directed to return all Deposits hereunder to the respective depositors; provided, however, that if the Mortgage and any other documents given as additional security have been recorded, you shall request and there shall be deposited a release thereof, which you shall record. In the absence of such written demand, you are directed to continue to comply with these Instructions without reference to the date mentioned in the preceding sentence.

8. Whenever under the terms of these Instructions the time for performance of a condition falls on a Saturday, Sunday or holiday, the time for performance shall be extended to the next business day.

Lakeside - Peterson Cicero 3rd Mod, Escrow *

9. Required Endorsements:

- (a) Comprehensive No. 1 (current date)
- (b) 3.0 Zoning (to be converted to 3.1 with parking upon Project completion);
- (c) Survey
- (d) Access-Streets
- (e) Location Note
- (f) PIN Nos.
- (g) Waiver of "Creditor's Rights"
- (h) EPA Lien
- (i) Contiguity Parcels
- (j) Adjustable Rate
- (k) Interim Mechanics' Lien, and with (l) Pending Disbursement re construction advances;
- (m) Revolving Credit

10. Permitted Exceptions: The following Exceptions under Schedule B of the Title Commitment (as issued as of _____, 2005):

15

- ~~8~~ Real Estate Taxes for 2004 (except the first installment) and subsequent years;
- ~~8~~ ~~8~~ Modification Document Nos. 0420434122 & 0435045117 and Assignment of Rents Document No. 04134 34125 with respect to the insured Mortgage;
- 9 ~~25~~ Whole Foods Market Group, Inc. Lease, provided the subordination thereof to the lien of the insured Mortgage is to be assured by the Title Insurer under Part II of Schedule B;
- ~~25~~ Easement Document No. 16046758, re City water main;
- 10/11/2005 ~~28~~ Easement Document Nos. 17539123, 17539124 and 17539125, re Com Ed and Ill. Bell;
- 12-14 ~~34~~ Fence encroachments onto the public way, provided same are endorsed over;

- ✓ _____ Memorandum of Third Loan Modification between Lender and Trustee, dated March 15, 2005 and recorded May _____, 2005 as Document No. _____;
- ✓ _____ Second Mortgage from Borrower in favor of The Peterson Cicero Limited Partnership ("PCLP"), dated March 18, 2005 and recorded May _____, 2005 as Document No. _____, provided the subordination thereof to the lien of the insured Mortgage is to be assured by the Title Insurer under Part II of Schedule B;
- ✓ ~~21~~ Subordination/Non-Disturbance etc., Agreement between Whole Foods and Lender, dated March 15, 2005 and recorded May _____, 2005 as Document No. _____;
- ✓ ~~22~~ Subordination and Intercreditor Agreement between Lender and PCLP, dated March 18, 2005 and recorded May _____, 2005 as Document No. _____;
- 20 Peterson Cicero, LLC Redevelopment Agreement between Borrower and City of Chicago ("RDA"), dated _____, 2005 and recorded May _____, 2005 as Document No. _____;
- 23 Subordination Agreement between Lender and City of Chicago, dated _____, 2005 and recorded May _____, 2005 as Document No. _____;
- ~~24~~ Subordination Agreement between Borrower and City of Chicago, dated _____, 2005 and recorded May _____, 2005 as Document No. _____;
- 24 Subordination Agreement between PLCP and City of Chicago, dated _____, 2005 and recorded May _____, 2005 as Document No. _____;
- _____ New Construction.

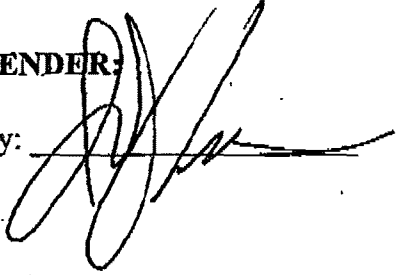
25

not P recorded doc in subordination

Lakeside - Peterson Cicero 3rd Mod, Escrow *

LENDER:

By:



BORROWER:

By:

Peterson Cicero, LLC
By: James J. Wozniak
James J. Wozniak, President

ACCEPTED:

GUARANTY NATIONAL TITLE COMPANY

By:

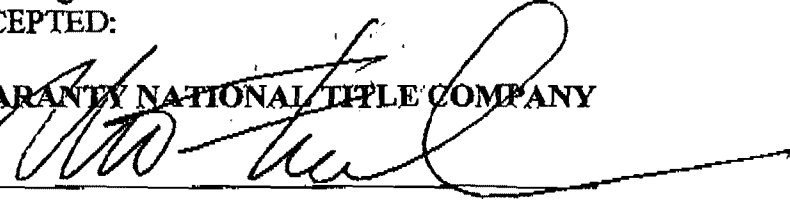


EXHIBIT F

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: None.

EXHIBIT G

PROJECT BUDGET

<u>Project Activities</u>	<u>Costs</u>	
Land		
Acquisition	\$11,850,000	
Land Closing Cost	<u>740,300</u>	
Subtotal		\$12,590,300
Site Preparation		
Environmental	\$ 837,987	
Green Roof	189,888	
Other Site Preparation Costs	<u>2,262,600</u>	
Subtotal		\$ 3,290,475
Hard Costs		
Phase 1	\$17,114,566	
Phase 2	13,736,973	
Contingency	<u>3,085,154</u>	
Subtotal		\$33,936,693
Soft Costs		
Architectural and Plans	\$ 1,282,000	
General Legal, Accounting & TIF Legal	97,500	
Environmental	70,000	
Appraisal & Inspections	30,000	
Surveys	20,000	
Permits & City Inspection Fees	138,875	
Redevelopment Consultant	85,000	
Compliance Monitoring	52,000	
Market Studies	15,000	
Sales Commission and Marketing	2,380,000	
Legal, title & closing costs related to condo sales	115,200	
Insurance	179,000	
Soft Cost Contingency	470,755	
Development Management Fee	<u>1,800,000</u>	
Subtotal		\$ 6,844,326
Finance and Interest Expense		
Financing Costs	\$ 351,500	
Estimated Construction Interest Expense (1st Mortgage)	3,810,559	
Estimated Construction Interest Expense (2 nd Mortgage)	2,259,294	
Acquisition Interest Expense	<u>\$606,497</u>	
Subtotal		<u>\$ 7,027,850</u>
Total Costs		\$63,689,644

EXHIBIT H

MBE / WBE BUDGET

<u>DESCRIPTION OF MBE/WBE BUDGET ITEM</u>	<u>AMOUNT</u>
<u>SITE PREPARATION COSTS</u>	
Earth Work	\$711,328
Environmental (soil disposal, backfill, engineered barrier)	\$837,987
Caissons	\$326,700
Sheeting & Shoring	\$263,340
Storm Retention System	\$126,252
Water & Sewer Taps	\$20,000
Site Utilities	\$75,000
Asphalt (light and heavy duty and patching)	\$49,035
Curbs, Gutters--Cicero & Peterson; on site	\$19,052
Landscape--curb planters Cicero & Peterson Phase 1	\$3,157
Sidewalks--Cicero & Peterson Phase 1 & Whole Foods on site	\$43,275
Loading Dock Apron	\$40,306
Ingress apron from Cicero	\$4,690
Green Roof	\$189,888
Pylon Sign	\$10,000
Site Prep Contingency	<u>\$270,865</u>
<i>Sub-Total Site Preparation MBE/WBE Applicable Costs</i>	\$2,990,875
<u>HARD CONSTRUCTION COSTS</u>	
Phase 1 - Residential and other non-retail construction	\$11,351,216
Retail	\$2,828,350
Garage: below grade (RETAIL)	\$2,935,000
Phase 2 - Residential and other non-retail construction	\$13,736,973
Hard Cost Contingency	<u>\$3,085,154</u>
<i>Sub-Total Hard Construction MBE/WBE Applicable Costs</i>	\$33,936,693
<u>SOFT COSTS:</u>	
Architectural & Plans	\$1,282,000
Civil, Engineering & Plans; General Conditions; & Contractor Fee (Included in hard costs)	\$0
Env. / Material Testing / Geotechnical / Eng Evaluations	\$70,000
Surveys	\$20,000
Soft Cost Contingency (incl. Finance and Dev't Mgt)	<u>\$103,566</u>
<i>Sub-Total Soft MBE/WBE Applicable Costs</i>	\$1,475,566
Total MBE/WBE Applicable Costs	\$38,403,134

Minimum MBE Costs (24% of Total Applicable Costs) * \$9,216,752

Minimum WBE Costs (4% of Total Applicable Costs) * \$1,536,125

* The above MBE/WBE dollar values are an estimate. If the actual cost of the above applicable MBE/WBE activities increase, the associated MBE/WBE dollar values will increase accordingly.

EXHIBIT I

APPROVED PRIOR EXPENDITURES

(To be attached at Closing)

CLOSING STATEMENT

PURCHASER: Lakeside Bank as Trustee under Trust Agreement dated 5/4/04 and known and Trust #10-2690

SELLER: Klairmont Enterprises, Inc. (Parcel2) and The Klairmont Family, L.L.C. (Parcel 1)

PROPERTY: Northwest corner of West Peterson and North Cicero, Chicago, IL

DATE: May 11, 2004

	<u>Purchaser's Credits</u>	<u>Seller's Credits</u>
Purchase Price:		11,850,000.00
Earnest Money	\$1,000,000.00	
2003 Real Estate Taxes*		
Parcel 1: (\$7,817.97 - \$3,908.99 [1 st Install])	3,908.98	
Parcel 2: (\$23,908.44 - \$11,954.22 [1 st Install])	11,954.22	
2004 Real Estate Taxes*		
Parcel 1: (\$7,817.97/365 x 132)	2,827.32	
Parcel 2: (\$23,908.44/365 x 132)	8,646.33	
Credit for Legal fees Pursuant to Paragraph 3.d Of the Purchase Agreement		1,250.00
Cash to Balance	<u>\$10,823,913.15</u>	
	\$11,851,250.00	<u>\$11,851,250.00</u>

*Real Estate Taxes will be re-prorated upon receipt of the actual bills.

Agreed to and accepted on behalf
of Seller this 11th day of May,
2004:

KLAIRMONT ENTERPRISES, INC.

By: Robert W. Newman

The Klairmont Family, L.L.C.

By: Robert W. Newman

Agreed to and accepted on behalf
of Purchaser this 11th day of May,
2004:

**Lakeside Bank ATUTA dated 5/4/04
AKA Trust #10-2690**

By: Peterson Cicero, LLC, Beneficiary

By: J. Cicero

SELLER'S SUMMARY

Cash to Balance	\$10,823,913.15
Earnest Money	<u>1,000,000.00</u>
Total	\$11,823,913.15

MINUS:

Seller's Title Charges	4,112.50
State and County Transfer Taxes (Pcl 1)	5,031.00
State and County Transfer Taxes (Pcl 2)	12,744.75
½ Escrow Fee	500.00
Difference in City Stamps due to Allocation of Purchase Price (Pcl 1)	3.75
Subtotal	<u>(22,392.00)</u>

TOTAL TO SELLER **\$11,801,521.15**

Allocation of Disbursement:

Klaimont Enterprises, Inc. (Parcel 2):

\$11,823,913.15 x 0.717 =	\$8,477,745.73
minus proportional title and escrow charges	3,307.16
minus transfer taxes	<u>12,744.75</u>
Total	\$8,461,693.82

The Klaimont Family, L.L.C. (Parcel 1):

\$11,823,913.15 x .0283 =	3,346,167.42
minus proportional title and escrow charges	1,305.34
minus transfer taxes (State & County and \$3.75 City differential)	<u>5,034.75</u>
Total	3,339,827.33

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

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

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

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

(a) Peterson Cicero, LLC Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

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

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

In addition to the foregoing, we have examined

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

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

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

Based on the foregoing, it is our opinion that:

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

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

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

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

5. Exhibit A attached hereto identifies the members of the Developer and the number of membership interests held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of

purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

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

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

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

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

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

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

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

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

Very truly yours,

By: _____

Name: _____

EXHIBIT K

REQUISITION FORM

State of Illinois)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of Peterson Cicero, LLC, an Illinois limited liability company (the "Developer"), hereby certifies that with respect to that certain Peterson Cicero, LLC Redevelopment Agreement between the Developer and the City of Chicago dated _____, ____ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$[5,000,000]¹[5,300,000]², have been made.

B. The Developer requests reimbursement for the following cost of TIF-Funded Improvements:

\$[5,000,000](1)[5,300,000](2)

C. This paragraph C sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed and interest on the Note paid by the City to date:

Principal
\$ _____
Interest \$ _____

D. This paragraph D sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project owed and interest accrued by the City to date:

Principal \$ _____
Interest \$ _____

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

¹ For use in connection with requests for reimbursement under City Note 1.

² For use in connection with requests for reimbursement under City Note 2.

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

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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

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

Peterson Cicero, LLC

By: _____
Name
Title: _____

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

My commission expires: _____

Agreed and accepted:

Name
Title: _____
City of Chicago
Department of Planning and Development

EXHIBIT L-1

FORM OF CITY NOTE 1

REGISTERED
NO. R-1

MAXIMUM AMOUNT
\$5,000,000.00

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE (PETERSON CICERO
REDEVELOPMENT PROJECT), TAXABLE SERIES 2004A

Registered Owner: Peterson Cicero, LLC

Interest Rate: ___% per annum [10 year Treasury bond +300 basis points, not to exceed 8.75%]

Maturity Date: _____, _____ [20 years from issuance date]

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$5,000,000.00 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes as defined in the hereinafter defined Redevelopment Agreement) is due March 1 of each year until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal

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

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$5,000,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Registered Owner with respect to the acquisition, renovation and redevelopment of certain property known as 6000 North Cicero Avenue, Chicago, Illinois (the "Project"), which improvements were constructed and installed in connection with the development of a residential and commercial development with associated parking in the Peterson Cicero Tax Increment Financing Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on January 11, 2005 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed, plus any outstanding interest then due. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

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

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

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred and is continuing (subject to applicable cure periods). Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred

in accordance with the provisions hereof.

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

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

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

Mayor

(SEAL)

Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Peterson Cicero Redevelopment Project), Taxable Series 2004A of the City of Chicago, Cook County, Illinois.

Comptroller
Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY: _____

ITS: _____

CERTIFICATE OF EXPENDITURE

Date: _____, _____

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
Not to Exceed _____ Tax Increment Allocation Revenue Note
(_____ Redevelopment Project, Taxable Series 2004A)
(the "City Note").

This Certificate is submitted to you, Registered Owner of the City Note, pursuant to the Ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on _____, 2004 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ _____ is advanced as principal under the City Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note is \$ _____, including the amount of this Certificate and less payment made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____, _____.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT L- 2

FORM OF CITY NOTE 2

REGISTERED
NO. R-2

MAXIMUM AMOUNT
\$5,300,000.00

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE (PETERSON CICERO
REDEVELOPMENT PROJECT), TAXABLE SERIES 2004B

Registered Owner: Peterson Cicero, LLC

Interest Rate: ___% per annum [10 year Treasury bond +300 basis points, not to exceed 8.75%]

Maturity Date: _____, _____ [20 years from issuance date]

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$5,300,000.00 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the Available Incremental Taxes as defined in the hereinafter defined Redevelopment Agreement) is due March 1 of each year until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal

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

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$5,300,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Registered Owner with respect to the acquisition, renovation and redevelopment of certain property known as 6000 North Cicero Avenue, Chicago, Illinois (the "Project"), which improvements were constructed and installed in connection with the development of a residential and commercial development with associated parking in the Peterson Cicero Tax Increment Financing Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on January 11, 2005 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed, plus any outstanding interest then due. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

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

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

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred and is continuing (subject to applicable cure periods). Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred

in accordance with the provisions hereof.

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

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

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

Mayor

(SEAL)
Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Peterson Cicero Redevelopment Project), Taxable Series 2004B of the City of Chicago, Cook County, Illinois.

Comptroller
Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY: _____

ITS: _____

CERTIFICATE OF EXPENDITURE

Date: _____, _____

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
Not to Exceed _____ Tax Increment Allocation Revenue Note
(_____ Redevelopment Project, Taxable Series 2004B)
(the "City Note")

This Certificate is submitted to you, Registered Owner of the City Note, pursuant to the Ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on _____, 2004 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ _____ is advanced as principal under the City Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note is \$ _____, including the amount of this Certificate and less payment made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____, _____.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT M

FORM OF SUBORDINATION AGREEMENT

This document prepared by and after recording return to:
Scott D. Fehlan
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the __ day of _____, _____ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, Peterson Cicero, LLC, an Illinois limited liability company (the "Developer"), has purchased certain property located within the Redevelopment Area at 6000 North Cicero Avenue, Chicago, Illinois 60646 and legally described on Exhibit B hereto (the "Property") and shall commence and complete site preparation on the Property and complete construction of the following, collectively referred to herein as the "Facility:" of two separate buildings containing approximately 40,405 square feet of commercial space and approximately 136 condominium units, including 27 Affordable Units. The Market-Rate and Affordable Units will have identical standard features. Each of the Affordable Units will include one parking space. Parking spaces will be available for purchase by owners of the Market-Rate Units at a price of \$25,000 each. The buildings will be constructed of masonry and stone with set back balconies. Fifty percent of the net roof area in both buildings will have green roofs. A ground-level area of approximately 12,000 square feet between both buildings will be landscaped, and the Developer will construct perimeter site improvements, including the landscaping, lighting and new sidewalk improvements for both the east and west portions of Cicero Avenue from Peterson Avenue to North Glenlake Avenue. The Facility

and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project."

WHEREAS, [description of financing and security documents] as part of obtaining financing for the Project, the Developer and _____, as trustee under Trust Agreement dated _____, 200__ and known as Trust No. _____ (the "Land Trustee") (the Developer and the Land Trustee collectively referred to herein as the "Borrower"), have entered into a certain Construction Loan Agreement dated as of _____, 200__ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$ _____ (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated _____, 200__ and recorded _____, 200__ as document number _____ made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded _____, 200__ as document number _____ made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.03, 8.06, 8.19 and 8.20 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit any of the Lender's other rights or other priorities under the Loan Documents, including without limitation the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein. Furthermore, nothing herein shall have any effect whatsoever on the respective rights, obligation and covenants of the Lender and the City under that certain Redevelopment Agreement dated _____, 2005. The

liabilities and obligations of the Lender with respect to the City Encumbrances and the City Agreements shall be as set forth in Section 16 of the Redevelopment Agreement.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein. Failure of either party to deliver such notices or waivers shall in no instance alter the rights or remedies of such party under the Loan Documents or the City Agreements.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If to the City:

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

With a copy to:

City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

If to the Lender:

Attention: _____

With a copy to:

Attention: _____

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

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

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By: _____

Its: _____

CITY OF CHICAGO

By: _____

Its: Commissioner,
Department of Planning and
Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, 2005

PETERSON CICERO, LLC,
an Illinois limited liability company

By: Brook-Ridge Development, Inc., its manager

By: _____

Its: _____

LAKESIDE BANK, not personally but as Trustee
under Trust Agreement No. 10-2690 dated May 4, 2004

By: _____

Its: _____

This Agreement is executed by Lakeside Bank, not individually but solely as Trustee, as aforesaid, and said Trust Agreement is hereby made a part hereof and any claims against said Trustee which may result from the signing of this Agreement shall be payable only out the trust property which is the subject of this Agreement, and it is expressly understood and agreed by the parties hereto, notwithstanding anything herein contained to the contrary, that each and all of the undertakings and agreements herein made are made and intended not as personal undertakings and agreements of the Trustee for the purposes of binding the Trustee personally, but this Agreement is executed and delivered by the Trustee solely in the exercise of the powers conferred upon it as such Trustee and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforced against said Trustee on account of any undertaking or agreement herein contained, either expressed or implied, or for the validity of the condition of the title to said property, or for any agreement with respect thereto. All representations of the Trustee, including those as to title, are those of the Trustee's beneficiary only. Any and all personal liability of Lakeside Bank is hereby expressly waived by the parties hereof and their respective personal representatives, estates, heirs, successors and assigns.

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid,
DO HEREBY CERTIFY that _____, personally known to me to be the
_____ of Lakeside Bank, an Illinois banking corporation (the "Trustee"),
and personally known to me to be the same person whose name is subscribed to the foregoing
instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and
delivered said instrument, pursuant to the authority given to him/her by the board of directors of the
Trustee, as his/her free and voluntary act and as the free and voluntary act of the Trustee, for the uses
and purposes therein set forth.

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

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, _____.

Notary Public

My Commission Expires _____

(SEAL)

EXHIBIT A - LEGAL DESCRIPTION

EXHIBIT N
FORM OF PAYMENT BOND

(To be attached at Closing)

THE AMERICAN INSTITUTE OF ARCHITECTS



A/A Document A312

Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

W.E. O'Neil Construction Company
2751 N. Clybourn Avenue
Chicago, IL 60614

SURETY (Name and Principal Place of Business):

Continental Casualty Company
3500 Lacey Road., Downers Grove, IL 60515

BOND NO. 929355598

OWNER (Name and Address):

Peterson Cicero, L.L.C.
c/o Brook-Ridge Development
1141 E. Main St., Suite 202
East Dundee, IL 60018

CONSTRUCTION CONTRACT

Date - January 27, 2005
Amount: \$300,000.00

Description (Name and Location): Sauganash Place Condominiums, Streetscape Phase I, 6000 N. Cicero, Chicago, IL 60646

BOND

Date (Not earlier than Construction Contract Date): January 28, 2005

Amount: \$300,000.00

Modifications to this Bond:

None

See Page 6

CONTRACTOR AS PRINCIPAL

Company: W.E. O'Neil Construction Company (Corporate Seal)

Michael J. Faron

Signature: Michael J. Faron, President

Name and Title: Michael J. Faron, President

SURETY

Company: Continental Casualty Company (Corporate Seal)

Amy E. Homer

Signature: Amy E. Homer, Attorney-in-Fact

Name and Title: Amy E. Homer, Attorney-in-Fact

(Any additional signatures appear on page 6)

(FOR INFORMATION ONLY -- Name, Address and Telephone)

AGENT or BROKER:

D L Jennings/The Rockwood Co.
20 N. Wacker Dr., Suite 960
Chicago, IL 60606
312/621-2277

OWNER'S REPRESENTATIVE (Architect, Engineer or

other party): Pappageorge Haymes Ltd.
714 N. Franklin St., Suite 400
Chicago, IL 60610

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4 The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the Contractor:

- 1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
- 2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly, and
- 3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5 If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

6 When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 No Suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the Suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this

Bond shall be construed as a statutory bond and not as a common law bond.

14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15 DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the

Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

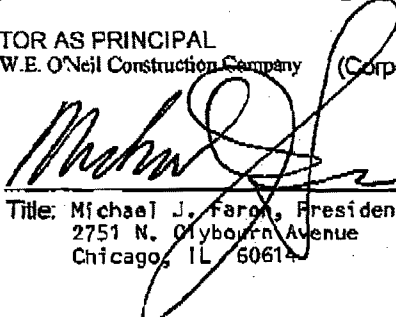
MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

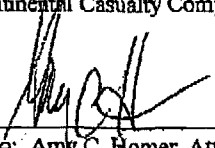
DUAL OBLIGEE RIDER ATTACHED

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: W.E. O'Neil Construction Company (Corporate Seal)

SURETY
Company: Continental Casualty Company (Corporate Seal)

Signature: 
Name and Title: Michael J. Faron, President
Address: 2751 N. Clybourn Avenue
Chicago, IL 60614

Signature: 
Name and Title: Amy C. Homer, Attorney-in-Fact
Address: The Rockwood Co.
20 N. Wacker Dr., #960
Chicago, IL 60606

CNA Surety

DUAL OBLIGEE RIDER

To be attached to and form a part of contract bond number 929355598 issued by the Continental Insurance Company, 3500 Lacey Road, Downers Grove, IL 60515 on behalf of W.E. O'Neil Construction Company, 2751 N. Clybourn Ave., Chicago, IL 60614 in the amount Three Hundred Thousand and 00/100 Dollars (\$300,000.00) and dated 01/28/05 in favor of Peterson Cicero, L.L.C., c/o Brook-Ridge Development, 1141 E. Main St., Suite 202, East Dundee, IL 60018

In consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration receipt of which is hereby acknowledged, the Undersigned hereby agree as follows:

1. The City of Chicago

is hereby added to said bond as an additional obligee.

2. The Surety shall not be liable under this bond to the Obligee, or either of them unless the said Obligees, or either of them, shall make payments to the Principal strictly in accordance with the terms of the said contract as to payments, and shall perform all other obligations to be performed under said contract at the time and in the manner therein set forth.

3. No suit, action or proceeding by reason of any default whatever shall be brought on this bond after two (2) years from the day on which the final payment under said construction contract falls due.

4. Aggregate liability of Surety hereunder to Obligees is limited to the penal sum above stated and Surety, upon making payment hereunder, shall be subrogated to, and shall be entitled to an assignment of all rights of the payee with respect to the particular obligation discharged by the payment, either against principal or against any other party liable to the payee on the discharged obligation.

Signed, Sealed and Dated this 28th day of January 2005

WITNESS:

BY: Carol A. Davis

W.E. O'Neil Construction Company

BY: [Signature]

ACCEPTED BY:

Continental Casualty Company

BY: _____

BY: [Signature]

Amy C. Homer, Attorney-in-Fact

NOTICE

In accordance with the Terrorism Risk Insurance Act of 2002, we are providing this disclosure notice for bonds and certain insurance policies on which one or more of the Writing Companies identified below is the surety or insurer.

To principals on bonds and insureds on certain insurance policies written by any one or more the following companies (collectively the "Writing Companies") as surety or insurer: Western Surety Company, Universal Surety of America, Surety Bonding Company of America, Continental Casualty Company, National Fire Insurance Company of Hartford, American Casualty Company of Reading, PA, The Firemen's Insurance Company of Newark, NJ and The Continental Insurance Company.

DISCLOSURE OF PREMIUM

The premium attributable to coverage for terrorist acts certified under the Act was Zero Dollars (\$0.00).

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States will pay ninety percent (90%) of covered terrorism losses exceeding the applicable surety/insurer deductible.

DATE January 28, 2005

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation (herein called "the CNA Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Lynda A. August, John A. Daeschler, Amy C. Homer, David L. Jennings, Richard M. Keehan, Jr., Cindy Klebert, J.A. Maderak, H. Donald Peterson, Norman J. Westerhold, II, Individually

of Chicago, Illinois
their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature
-- In Unlimited Amounts --

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 20th day of December, 2001.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Michael Gengler

Michael Gengler Group Vice President

State of Illinois, County of Cook, ss:

On this 20th day of December, 2001, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said Instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires September 17, 2005

Diane Faulkner

Diane Faulkner Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporations printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporations this 28th day of January, 2005.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis

Mary A. Ribikawskis Assistant Secretary

(Rev. 10/11/01)

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact

Section 2. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior or Group Vice President may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

"RESOLVED: That the President, an Executive Vice President, or any Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation."

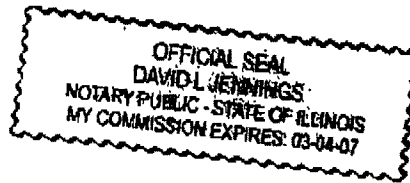
STATE OF Illinois
COUNTY OF Lake

I, David L. Jennings Notary Public of Lake County, in the State of Illinois, do hereby certify that Ann C. Homer Attorney-in-fact, of the Continental Casualty Company who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered said instrument, for and on behalf of the Continental Casualty Company for the uses and purposes therein set forth.

Given under my hand and notarial seal in said County, this 28th day of January 2005.



Notary Public



THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

W.E. O'Neil Construction Company
2751 N. Clybourn Avenue
Chicago, IL 60614

SURETY (Name and Principal Place of Business):

Continental Casualty Company
3500 Lacey Road., Downers Grove, IL 60515

BOND NO. 929355598

OWNER (Name and Address):

Peterson Cicero, L.L.C.
c/o Brook-Ridge Development
1141 E. Main St., Suite 202
East Dundee, IL 60018

CONSTRUCTION CONTRACT

Date - January 27, 2005

Amount \$300,000

Description (Name and Location): Sauganash Place Condominiums, Streetscape Phase I, 6000 N. Cicero, Chicago, IL 60646

BOND

Date (Not earlier than Construction Contract Date): January 28, 2005

Amount: \$300,000.00

Modifications to this Bond:

None

See Page 3

CONTRACTOR AS PRINCIPAL

Company: W.E. O'Neil Construction Company (Corporate Seal)

SURETY

Company: Continental Casualty Company (Corporate Seal)

Signature: 

Name and Title: Michael J. Faron, President

Signature: 

Name and Title: Amy C. Homer, Attorney-in-Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY—Name, Address and Telephone)

AGENT or BROKER:

D L Jennings/The Rockwood Co.
20 N. Wacker Dr., Suite 960
Chicago, IL 60606
312/621-2277

OWNER'S REPRESENTATIVE (Architect, Engineer or

other party): Pappageorge Haymes Ltd.
714 N. Franklin St., Suite 400
Chicago, IL 60610

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences, as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for

which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off, on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation avail-

able to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Con-

tractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

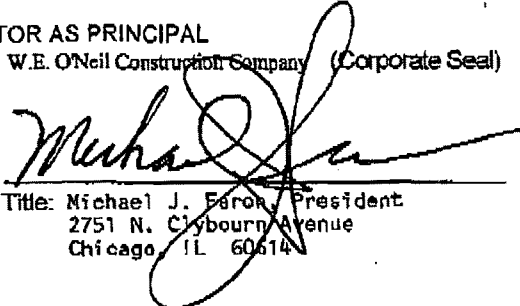
12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

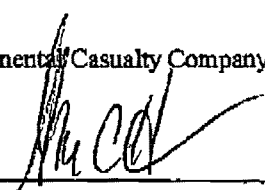
DUAL OBLIGEE RIDER ATTACHED

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: W.E. O'Neil Construction Company (Corporate Seal)

Signature: 
Name and Title: Michael J. Faron, President
Address: 2751 N. Clybourn Avenue
Chicago, IL 60614

SURETY
Company: Continental Casualty Company (Corporate Seal)

Signature: 
Name and Title: Amy C. Homer, Attorney-in-Fact
Address: The Rockwood Co.
20 N. Wacker Dr., #960
Chicago, IL 60606

CNA Surety

DUAL OBLIGEE RIDER

To be attached to and form a part of contract bond number 929355598 issued by the Continental Insurance Company, 3500 Lacey Road, Downers Grove, IL 60515 on behalf of W.E. O'Neil Construction Company, 2751 N. Clybourn Ave., Chicago, IL 60614 in the amount Three Hundred Thousand and 00/100 Dollars (\$300,000.00) and dated 01/28/05 in favor of Peterson Cicero, L.L.C., c/o Brook-Ridge Development, 1141 E. Main St., Suite 202, East Dundee, IL 60018

In consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration receipt of which is hereby acknowledged, the Undersigned hereby agree as follows:

1. The City of Chicago

is hereby added to said bond as an additional obligee.

2. The Surety shall not be liable under this bond to the Obligee, or either of them unless the said Obligees, or either of them, shall make payments to the Principal strictly in accordance with the terms of the said contract as to payments, and shall perform all other obligations to be performed under said contract at the time and in the manner therein set forth.

3. No suit, action or proceeding by reason of any default whatever shall be brought on this bond after two (2) years from the day on which the final payment under said construction contract falls due.

4. Aggregate liability of Surety hereunder to Obligees is limited to the penal sum above stated and Surety, upon making payment hereunder, shall be subrogated to, and shall be entitled to an assignment of all rights of the payee with respect to the particular obligation discharged by the payment, either against principal or against any other party liable to the payee on the discharged obligation.

Signed, Sealed and Dated this 28th day of January 2005

WITNESS:

BY: Carol A. Davis

W.E. O'Neil Construction Company

BY: Michael J. [Signature]

ACCEPTED BY:

BY: _____

Continental Casualty Company

BY: [Signature]

Amy C. Homer, Attorney-in-Fact

NOTICE

In accordance with the Terrorism Risk Insurance Act of 2002, we are providing this disclosure notice for bonds and certain insurance policies on which one or more of the Writing Companies identified below is the surety or insurer.

To principals on bonds and insureds on certain insurance policies written by any one or more the following companies (collectively the "Writing Companies") as surety or insurer: Western Surety Company, Universal Surety of America, Surety Bonding Company of America, Continental Casualty Company, National Fire Insurance Company of Hartford, American Casualty Company of Reading, PA, The Firemen's Insurance Company of Newark, NJ and The Continental Insurance Company.

DISCLOSURE OF PREMIUM

The premium attributable to coverage for terrorist acts certified under the Act was Zero Dollars (\$0.00).

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States will pay ninety percent (90%) of covered terrorism losses exceeding the applicable surety/insurer deductible.

DATE January 28, 2005

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation (herein called "the CNA Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Lynda A. August, John A. Daeschler, Amy C. Homer, David L. Jennings, Richard M. Keehan, Jr., Cindy Klebert, J.A. Maderak, H. Donald Peterson, Norman J. Westerhold, II, Individually

of Chicago, Illinois
their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature
--- In Unlimited Amounts ---

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 20th day of December, 2001.



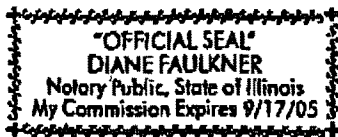
Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Michael Gengler

Michael Gengler Group Vice President

State of Illinois, County of Cook, ss:

On this 20th day of December, 2001, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires September 17, 2005

Diane Faulkner

Diane Faulkner Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporations printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporations this 28th day of January, 2005.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis

Mary A. Ribikawskis Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact

Section 2. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior or Group Vice President may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

"RESOLVED: That the President, an Executive Vice President, or any Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact."

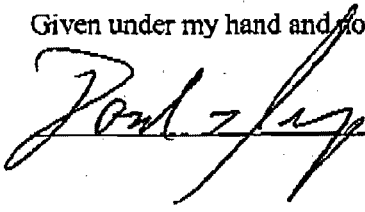
This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation."

STATE OF Illinois
COUNTY OF Lake

I, David L. Jennings Notary Public of Lake County, in the State of Illinois, do hereby certify that Amy C. Homer Attorney-in-fact, of the Continental Casualty Company who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered said instrument, for and on behalf of the Continental Casualty Company for the uses and purposes therein set forth.

Given under my hand and notarial seal in said County, this 28th day of January 2005.



Notary Public



EXHIBIT O

CITY RECAPTURE MORTGAGE

This instrument prepared by
and after recording return to:

Department of Law
City of Chicago
Room 600
121 North LaSalle Street
Chicago, Illinois 60602

MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESTRICTIVE COVENANTS

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS (“this Mortgage”) is made as of this ___ day of _____, 200__ from _____ (“Mortgagor”), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the “City” or “Mortgagee”).

RECITALS

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller that certain real property legally described on Exhibit A attached hereto and a condominium located thereon (the property described on Exhibit A hereto is hereinafter referred to as the “Home”) (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and the City's TIF Affordability Guidelines; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the

terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in the this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

ARTICLE I

INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

2.01 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured (or shall use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

ARTICLE III

RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers. Mortgagor covenants that during the Recapture Period, it shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (a) to a Qualified Household, (b) for an Affordable Price, and provided that (c) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. Any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant

to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's Qualified Household, or (z) that simply consists of Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, shall be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the affordable housing covenants contained in this Mortgage. If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (a), (b) and (c), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon ten (10) business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.

ARTICLE IV

DEFAULT

4.01 Events of Default. The terms “Event of Default” or “Events of Default,” wherever used in the Mortgage, shall mean any one or more of the following events:

(a) A failure by Mortgagor to comply with any of the Affordability Requirements set forth in under Section 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in the Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 City Remedies. The City shall have the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property shall make the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The “City Subsidy Recapture Amount” shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (a) this Mortgage was dated January 1, 2005, (b) the date of the Recapture Payment Event was July 1, 2011, and (c) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee’s delivery of written notice of such failure to Mortgagor (a “Monetary Event of Default”), then Mortgagee shall

be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within sixty (60) days of the Mortgagee's delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4.03 Other Remedies. (a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately

due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer

to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Planning and Development, or any successor department thereto. All notices, requests, or other communications to the City hereunder shall be made to the Department of Planning and Development at the following address: 121 North LaSalle Street, Chicago, Illinois 60602, Attention: Commissioner.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 200__.

Notary Public

My commission expires _____.

Exhibit A to
Form of Recapture Mortgage

Legal Description

Exhibit B to
Form of Recapture Mortgage

Definitions

“Affordability Requirements” shall mean the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” shall mean the following, being the respective amount of the Purchase Price for each of the Homes exclusive of upgrades:

Home #1: 1 Bedroom (865 square feet)	\$124,500
Home #2: 1 Bedroom (865 square feet)	\$124,500
Home #3: 1 Bedroom (866 square feet)	\$124,500
Home #4: 1 Bedroom (866 square feet)	\$124,500
Home #5: 1 Bedroom (866 square feet)	\$124,500
Home #6: 1 Bedroom (866 square feet)	\$124,500
Home #7: 1 Bedroom (866 square feet)	\$124,500
Home #8: 2 Bedroom (1,054 square feet)	\$154,500
Home #9: 2 Bedroom (1,054 square feet)	\$154,500
Home #10: 2 Bedroom (1,054 square feet)	\$154,500
Home #11: 2 Bedroom (1,054 square feet)	\$154,500
Home #12: 2 Bedroom (1,054 square feet)	\$154,500
Home #13: 2 Bedroom (1,054 square feet)	\$154,500
Home #14: 2 Bedroom (1,054 square feet)	\$154,500
Home #15: 2 Bedroom (1,054 square feet)	\$154,500
Home #16: 2 Bedroom (1,054 square feet)	\$154,500
Home #17: 2 Bedroom (1,054 square feet)	\$154,500
Home #18: 2 Bedroom (1,064 square feet)	\$153,500
Home #19: 2 Bedroom (1,064 square feet)	\$153,500
Home #20: 2 Bedroom (1,064 square feet)	\$153,500
Home #21: 2 Bedroom (1,064 square feet)	\$153,500
Home #22: 2 Bedroom (1,064 square feet)	\$153,500
Home #23: 2 Bedroom (1,064 square feet)	\$153,500
Home #24: 2 Bedroom (1,064 square feet)	\$153,500
Home #25: 2 Bedroom (1,064 square feet)	\$153,500
Home #26: 2 Bedroom (1,064 square feet)	\$153,500
Home #27: 2 Bedroom (1,064 square feet)	\$153,500

“City Subsidy Amount” shall mean \$ _____, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence reasonably acceptable to the Department of Planning and Development) and the Base Purchase Price.

“City Subsidy Recapture Amount” shall have the meaning set forth in Section 4.02 hereof.

“Closing Date” shall mean the date of execution of this Mortgage.

“Home” shall have the meaning set forth in the recitals hereto.

“Initial Seller” shall mean Peterson Cicero, LLC.

“Monthly Homeownership Costs” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes (based upon the most recently issued real estate tax bill), divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners’ insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner’s association payments, if applicable.

“Purchase Price” shall mean \$ _____, being the sum of the Base Purchase Price plus upgrades.

“Recapture Period” shall mean for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

“Qualified Household” shall mean a single person, family or unrelated persons living together whose adjusted income is not more than [**100% of the Chicago-area median income**], adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows [**MUST BE OBTAINED FROM HUD AT CLOSING**]:

<u># of Persons In Household</u>	<u>100% of AMI</u>
1	\$52,800

2	\$60,300	_____	_____
3	\$67,900	_____	_____
4	\$75,400	_____	_____
5	\$81,400	_____	_____
6	\$87,500	_____	_____

“Senior Lender” shall mean _____, being the mortgagee under the Senior Mortgage.

“Senior Mortgage” shall mean that certain mortgage dated as of _____, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on _____ as document # _____ to secure indebtedness in the original principal amount of \$ _____.

“TIF Contribution” shall mean a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.

EXHIBIT P

MINIMUM ASSESSED VALUE

(To be attached at Closing)

EXHIBIT P
MINIMUM ASSESSED VALUE
PETERSON & CICERO
CHICAGO, ILLINOIS

Assessment Year	Collection Year Ending	Minimum Assessed Valuation		
		BUILDING 1	BUILDING 2	Total
2004	2005	\$124,147	\$66,724	\$190,871
2005	2006	\$124,147	\$66,724	\$190,871
2006	*	\$1,901,041	\$66,724	\$1,967,765
2007	2008	\$4,752,602	\$2,401,096	\$7,153,699
2008	2009	\$4,752,602	\$3,201,462	\$7,954,064
2009	*	\$5,118,033	\$3,447,624	\$8,565,657
2010	2011	\$5,118,033	\$3,447,624	\$8,565,657
2011	2012	\$5,118,033	\$3,447,624	\$8,565,657
2012	*	\$5,511,562	\$3,712,714	\$9,224,276
2013	2014	\$5,511,562	\$3,712,714	\$9,224,276
2014	2015	\$5,511,562	\$3,712,714	\$9,224,276
2015	*	\$5,935,349	\$3,998,187	\$9,933,536
2016	2017	\$5,935,349	\$3,998,187	\$9,933,536
2017	2018	\$5,935,349	\$3,998,187	\$9,933,536
2018	*	\$6,391,722	\$4,305,610	\$10,697,332
2019	2020	\$6,391,722	\$4,305,610	\$10,697,332
2020	2021	\$6,391,722	\$4,305,610	\$10,697,332
2021	*	\$6,883,185	\$4,636,671	\$11,519,856
2022	2023	\$6,883,185	\$4,636,671	\$11,519,856
2023	2024	\$6,883,185	\$4,636,671	\$11,519,856

* Reassessment Year