

Contract Summary Sheet

Contract (PO) Number: 18607

Specification Number: 69535

Name of Contractor: THE ZIEGLER COMPANIES INC

City Department: PLANNING & DEVELOPMENT

Title of Contract: Rehab of office space at 200 S. Wacker

Term of Contract: Start Date: 3/10/2008

End Date: 12/31/2030

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):
\$2,416,000.00

Brief Description of Work: Rehab of office space at 200 S. Wacker

Procurement Services Contract Area: COMPTROLLER-OTHER

Vendor Number: 50977028

Submission Date:

OCT 23 2008

File

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

July 19, 2007

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO.

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with the Ziegler Companies regarding property located at 200 South Wacker.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
DESIGNATING
THE ZIEGLER COMPANIES, INC. and B.C. ZIEGLER AND COMPANY
AS JOINT DEVELOPERS
AND
AUTHORIZING A REDEVELOPMENT AGREEMENT**

ORDINANCE

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on November 15, 2006 and published at pages 92019 through 92099 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the LaSalle Central Tax Increment Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 15, 2006 and published at pages 92100 through 92107 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 15, 2006 and published at pages 92108 through 92114 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) incurred in the Area pursuant to the Plan; and

WHEREAS, The Ziegler Companies, Inc. ("Ziegler"), a Wisconsin corporation, and B.C. Ziegler and Company, one of its wholly-owned subsidiaries (collectively, the "Company"), entered into an office lease with the owner of an office building located at 200 South Wacker Drive, Chicago (the "Building"), for the purpose of relocating the national corporate headquarters of the Company and another of its wholly-owned subsidiaries from Milwaukee, Wisconsin to two full office floors within the Building (the "Space") and continuing its headquarters operations therein. The Company shall undertake substantial rehabilitation and reconstruction of the Space (the "Rehabilitation Project") necessary to permit the Company and its affiliated entities to take possession thereof in accordance with the terms of the lease. The Rehabilitation Project and the use of the Space as the Company's sole headquarters for a period of years are collectively referred to herein as the "Project;" and

WHEREAS, the Company proposes to undertake the Project in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City, including but not limited to the completion of the Project; and

WHEREAS, pursuant to Resolution 07-CDC-26, adopted by the Community Development Commission of the City of Chicago (the "Commission") on April 10, 2007, the Commission recommended that Ziegler be designated as the developer for the Project and that the City's Department of Planning and Development ("DPD") be authorized to negotiate, execute

and deliver on behalf of the City a redevelopment agreement with Ziegler for the Project; and

WHEREAS, since no other responsive proposals were received by DPD for the redevelopment of the Property or a portion thereof within 14 days after such publication, pursuant to Resolution 07-CDC-26, the Commission has recommended that Ziegler be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with Ziegler for the Project; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

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

SECTION 2. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

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

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

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

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

Document No. P02007.5680

Document No. 02007.4003

REFERRED TO COMMITTEE ON
FINANCE
JUL 19 2007
Miguel del Valle
City Clerk City of Chicago

PASSED by the City Council of the City of
Chicago and deposited in the office of the
City Clerk of said City.
SEP 05 2007
Miguel del Valle
City Clerk City of Chicago

APPROVED
Mara S. Georges
CORPORATION COUNSEL

APPROVED
Richard M. Daley
Mayor
9-11-07

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CHICAGO SEPTEMBER 5, 2007

To the President and Members of the City Council:

Your Committee on Finance ~~having had~~ **under consideration**

AN ORDINANCE AUTHORIZING ENTERING INTO AND EXECUTING A REDEVELOPMENT AGREEMENT WITH THE ZIEGLER COMPANIES, INC., B.C. ZIEGLER AND COMPANU AND ~~ZIEGLER CAPITAL MANAGEMENT~~

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed ORDINANCE TRANSMITTED HERewith

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) Edward M. Burke
Chairman

SECTION 5. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit 1 referred to in this ordinance reads as follows:

Exhibit 1.

Corrected And Reformed Legal Description.

That part of the south half of Section 9, together with that part of the north half of Section 16, Township 39 North, Range 14 East of the Third Principal Meridian all taken as a tract of land bounded and described as follows:

beginning at the point of intersection of the east line of Canal Street with the south line of Lake Street in the east half of the southwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, and running; thence east along said south line of Lake Street to the northerly extension of the east line of the 18 foot wide alley east of Canal Street; thence south along said northerly extension of the east line of the 18 foot wide alley east of Canal Street and the east line thereof to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of Canal Street; thence south along said east line of Canal Street to the easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago in Section 9; thence west along said easterly extension of the north line of the south 275.06 feet of Block 50 in the Original Town of Chicago to the west line of Canal Street; thence south along said west line of Canal Street to the south line of Madison Street; thence east along said south line of Madison Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Calhoun Place; thence east along said south line of Calhoun Place to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 of School Section Addition to Chicago in Section 16; thence south along said northerly extension of the west line of the easterly 18 feet of Lot 2 in Block 82 and the west line hereof to the south line of said Lot 2; thence west along said south line of Lot 2 in Block 82 and the westerly extension thereof to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the north line of Monroe Street; thence west along said north line of Monroe Street to the west line of the south branch of the Chicago River; thence south along said west line of the south branch of the Chicago River to the north line of Lot 4 in Railroad Companies' Resubdivision of Blocks 62 to 76 inclusive, 78,

parts of 61 and 71, and certain vacated streets and alleys in School Section Addition to Chicago in Section 16; thence west along said north line of Lot 4 to the westerly line thereof; thence southeasterly along said westerly line of Lot 4 to the southwesterly corner thereof; thence southeasterly along a straight line to the northwesterly corner of Lot 5 in said Railroad Companies' Resubdivision in Section 16; thence southeasterly along the westerly line of said Lot 5 to an angle point on said westerly line; thence southeasterly along said westerly line of Lot 5 to a point on said westerly line, said point lying 121.21 feet northwesterly of the southwesterly corner of Lot 5; thence east along a straight line parallel with and 121.21 feet north of the south line of said Lot 5 to the westerly line of the south branch of the Chicago River; thence southeasterly along said westerly line of the south branch of the Chicago River to the north line of Jackson Boulevard; thence south along a straight line to the south line of Jackson Boulevard; thence west along said south line of Jackson Boulevard to the east line of Canal Street; thence south along said east line of Canal Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Jackson Boulevard; thence east along said south line of Jackson Boulevard to the west line of Franklin Street; thence south along said west line of Franklin Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the northerly extension of the east line of the 12 foot wide alley east of Wells Street; thence south along said northerly extension of the east line of the 12 foot wide alley east of Wells Street to the south line of Van Buren Street; thence east along said south line of Van Buren Street to the west line of LaSalle Street; thence north along the northerly extension of the west line of LaSalle Street to the north line of Van Buren Street; thence east along said north line of Van Buren Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Adams Street; thence east along said south line of Adams Street to the west line of Dearborn Street; thence north along said west line of Dearborn Street to the easterly extension of the north line of the 18 foot wide alley south of Monroe Street; thence east along said easterly extension of the north line of the 18 foot wide alley south of Monroe Street and the north line thereof to a point on a line 130 feet west of and parallel with the west line of South State Street the east line of the west half of Lot 3 in Block 141 in School Section Addition to Chicago in Section 16; thence north along said ~~parallel east line of the west half of Lot 3~~ to the south line of Monroe Street; thence west along said south line of Monroe Street to the southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street; thence north along said southerly extension of the west line of the most westerly 15 foot wide alley east of Dearborn Street and the west line thereof to the south line of the 15 foot wide alley north of Monroe Street; thence west along said south line of the 15 foot wide alley north of Monroe Street and the westerly extension thereof to the west line of Dearborn Street; thence south along said west line of Dearborn Street to the north line of Monroe Street; thence west along said north line of Monroe Street to the east line of Lot 21 in Assessor's Division of Block 118 of School

Section Addition in Section 16; thence north along the said east line of said Lot 21 and the northerly extension thereof to the south line of Lot 33 in said Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 33 to the west line thereof; thence north along said west line of Lot 33 to the south line of Lot 14 in Assessor's Division of Block 118 of School Section Addition in Section 16; thence west along said south line of Lot 14 to the east line of the 10 foot wide alley west of Clark Street; thence north along said east line of the 10 foot wide alley west of Clark Street and the northerly extension thereof to the north line of Madison Street; thence west along said north line of Madison Street to the east line of the 9 foot wide alley west of Clark Street; thence north along said east line of the 9 foot wide alley west of Clark Street to the south line of the 18 foot wide alley south of Washington Street; thence north along a straight line to the southeast corner of the parcel of land bearing Permanent Index Number 17-9-459-001; thence north along the east line of the parcel of land bearing Permanent Index Number 17-9-459-001 to the south line of Washington Street; thence east along said south line of Washington Street to the east line of Clark Street; thence north along said east line of Clark Street to the south line of Randolph Street; thence west along said south line of Randolph Street to the west line of Clark Street; thence north along said west line of Clark Street to the north line of Randolph Street; thence west along said north line of Randolph Street to the east line of LaSalle Street; thence south along said east line of LaSalle Street to the easterly extension of the south line of Court Place; thence west along said easterly extension of the south line of Court Place and the south line thereof to the west line of Wells Street; thence south along said west line of Wells Street to the north line of Washington Street; thence west along said north line of Washington Street to the east line of Franklin Street; thence north along said east line of Franklin Street to the centerline of vacated court place; thence east along said centerline of vacated Court Place to the southerly extension of the east line of Lot 2 in Block 41 in the Original Town of Chicago in the southeast quarter of Section 9; thence north along said southerly extension of the east line of Lot 2 in Block 41 and the east line thereof to the south line of Randolph Street; thence west along said south line of Randolph Street to the southerly extension of the west line of the easterly 20 feet of Lot 7 in Block 31 in the Original Town of Chicago in Section 9; thence north along said southerly extension of the west line of the easterly 20 feet of Lot 7 and the west line thereof to the south line of Couch Place; thence north along the northerly extension of the west line of the easterly 20 feet of Lot 7 to the north line of Couch Place; thence west along said north line of Couch Place to the east line of Wacker Drive; thence north along said east line of Wacker Drive to the south line of Lake Street; thence northeasterly along a straight line to the intersection of the north line of Lake Street with the easterly line of Wacker Drive; thence west along said north line of lake street to the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to an angle point on said westerly line, said point being also the northeast corner of Lot 1 in Block 22 in the Original Town of Chicago in Section 9; thence west along the

north line of said Lot 1 in Block 22 to a point, said point being also a point on the westerly line of the north branch of the Chicago River; thence northwesterly along said westerly line of the north branch of the Chicago River to the north line of that tract of land vacated in Document Number 5507199, recorded October 6, 1914; thence west along said north line of that tract of land vacated in Document Number 5507199, a distance of 21.26 feet to a point on said north line; thence northwesterly along the easterly line of the parcel of land bearing Permanent Index Number 17-9-306-014 to a point of curvature on said easterly line; thence northwesterly along the arc of curve, said curve being concave to the northeast and having a radius of 600 feet, to the east line of Canal Street; thence south along said east line of Canal Street to the south line of Lake Street, being also the point of beginning the heretofore described tract of land, all in Cook County, Illinois.

EXHIBIT B

Legal Description of the Ziegler Space

[see attached]

Floors 20 and 21 in

THAT PART OF LOTS 13 AND 14 IN BLOCK 83 IN RESUBDIVISION OF BLOCKS 83, 92 AND 140 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH EAST CORNER OF SAID LOT 13; THENCE SOUTH 90 DEGREES WEST ALONG THE NORTH LINE OF SAID LOT 13 (ALSO BEING THE SOUTH LINE OF WEST ADAMS STREET), 54.00 FEET TO THE WEST LINE OF WACKER DRIVE, AS DEDICATED, AND THE PLACE OF BEGINNING OF THE HEREIN DESCRIBED TRACT OF LAND; THENCE SOUTH 0 DEGREES 13 MINUTES 30 SECONDS EAST ALONG SAID WEST LINE OF SOUTH WACKER DRIVE, 166.04 FEET TO THE SOUTH LINE OF SAID LOT 14 (ALSO BEING THE NORTH LINE OF WEST QUINCY STREET); THENCE NORTH 89 DEGREES 57 MINUTES 40 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 14, 148.00 FEET TO A POINT; THENCE NORTH 9 DEGREES 47 MINUTES 46 SECONDS WEST, 84.20 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 14; THENCE NORTH 10 DEGREES 27 MINUTES 59 SECONDS WEST, 84.36 FEET TO THE NORTH LINE OF SAID LOT 13; THENCE NORTH 90 DEGREES EAST ALONG THE NORTH LINE OF SAID LOT 13, 177.00 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT C

TIF-ELIGIBLE IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Rehabilitation of existing office space	\$4,652,000
TOTAL	\$4,652,000

Notwithstanding the total of TIF-Eligible Improvements shown here, the assistance to be provided by the City is limited to the maximum amount of City Funds calculated pursuant to Section 4.03 herein.

EXHIBIT D

Redevelopment Plan for LaSalle Central

[see attached]

EXHIBIT E

Construction Contract

[see attached]

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Ziegler Space:

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 Ziegler Space, if any:

None

EXHIBIT H-1

PROJECT BUDGET

[see attached]

**The Ziegler Companies, Inc. HQ Relocation
PROJECT BUDGET**

Sources of Funds:

		<u>% of Total Sources</u>
Bank Loan	\$5,000,000	61%
Company Cash	\$3,263,860	39%
Total Sources	\$8,263,860	

Uses of Funds:

		<u>\$ Per Square Foot</u>
Construction	\$3,307,025	\$74.29
Furniture & Fixtures	\$1,345,915	\$30.24
Office Equipment	\$606,515	\$13.63
Project Financing Expenses	\$550,000	\$12.36
Other	\$330,310	\$7.42
Professional Design Fees	\$297,845	\$6.69
Subtotal	\$6,437,610	\$144.62
Relocation Costs	\$1,826,250	
Total Costs	\$8,263,860	

EXHIBIT H-2

MBE/WBE Project Budget

[see attached]

7/12/2007							
The Ziegler Companies, Inc.							
MBE/WBE Budget - Chicago Corporate Center							
Project Completion Date - August 24, 2007							
		Budget	MBE	MBE	WBE	WBE	
		7/10/2007	Percentage	Dollar Amount	Percentage	Dollar Amount	
Professional Design Fees							
	Architect - SCB	207,000	0	0	0	0	
	MEP Engineer - Cosentini	42,500	0	0	0	0	
	AV Consultant/Engineer - ESD	43,500	0	0	0	0	
	LEED's Consultant - SCB	20,000	0	0	0	0	
	LEED's Commissioning Consultant - Hill Mechanical	13,526	0	0	0	0	
	TOTAL	326,526	0	0	0	0	
Construction: GC - J.C. Anderson, Inc.							
	Demolition - J.C. Anderson	3,360	0%	0	0%	0	
	Folding Partitions - Hufcor Chicago	22,350	0%	0	0%	0	
	Barricades/Protection - J.C. Anderson	10,145	0%	0	0%	0	
	Steel - Romero Steel Company	30,084	100%	30,084	0%	0	
	Stone Tops - Italian Marble & Granite Co.	26,250	0%	0	100%	26,250	
	Ceramic Tile - Trostrud Mosaic & Tile Co, inc.	17,978	18%	3,237	0%	0	
	Carpentry - J.C. Anderson, Inc.	10,536	0%	0	0%	0	
	Millwork - Parenti & Raffaelli, Inc.	393,232	25%	98,308	5%	19,662	
	Spray on Fire Proofing - U.S. Fire Protection	5,000	0%	0	0%	0	
	Doors/Frames/Hardware - J.C. Anderson, Inc.	248,533	0%	0	0%	0	
	Glass & Glazing - Qunit G, Inc.	191,513	0%	0	0%	0	
	Drywall - Air Tite Contractors	383,436	0%	0	38%	145,706	
	Acoustic Ceilings - Air Tite Contractors	138,275	0%	0	0%	0	
	Flooring - Paniagua Group, Inc.	313,315	100%	313,315	0%	0	
	Painting/Decorating - Continental	105,268	100%	105,268	0%	0	
	Window Treatments - Insolar Window Treatments, Inc.	34,365	0%	0	0%	0	
	Voice Data - DTI, Inc.	137,910	100%	137,910	0%	0	
	Fire Protection/Sprinklers - U.S. Fire Protection, Inc.	146,625	24%	35,190	0%	0	
	Plumbing - Great Lakes	87,885	20%	17,557	5%	4,394	
	Toilet Accessories - J.C. Anderson	3,800	0%	0	0%	0	
	HVAC - Admiral Heating & Ventilating, inc.	577,000	50%	288,500	0%	0	
	Electrical - Rex Electric, Inc.	978,639	60%	587,363	15%	146,796	
	Appliances - J.C. Anderson	13,526	0%	0	0%	0	
	Stairwell - J.Cc Anderson	30,000	0%	0	0%	0	
	Audio Visual - SPL Integrated Solutions	361,974	25%	90,494	25%	90,494	
	General Contractor - Overhead and profit	92,646	0%	0	0%	0	
	General Conditions - J.C. Anderson	199,476	0%	0	0%	0	
	Building Fees & Permits	15,565	0%	0	0%	0	
	Build out Contingency- 5%	221,640	0%	0	0%	0	
	Insurance- J.C.Anderson	47,249	0%	0	0%	0	
	TOTAL	4,847,575		1,707,226		433,302	
Other							
		0					
	TOTAL	0					
GRAND TOTALS - Chicago Corp Center		5,174,101		1,707,226		433,302	
		Total MBE/WBE %'s		33.00%		8.37%	

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None

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 _____, an [Illinois] _____ (the "**Developer**"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ Redevelopment Project Area (the "**Project**"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "**Documents**":

(a) _____ Redevelopment Agreement (the "**Agreement**") of even date herewith, executed by the Developer and the City of Chicago (the "**City**");

[(b) 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) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; 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 corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] 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 (a) identifies each class of capital stock of the

Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the 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. **[Note: include a reference to the laws of the state of incorporation/organization of the Developer, if other than 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: _____

My commission expires: _____

By: _____
Name
Title: _____

B.C. ZIEGLER and COMPANY, a Wisconsin corporation

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



0807031100

Doc#: 0807031100 Fee: \$176.00

Eugene "Gene" Moore

Cook County Recorder of Deeds

Date: 03/10/2008 04:27 PM Pg: 1 of 71

ZIEGLER COMPANIES REDEVELOPMENT AGREEMENT
(LaSalle Central TIF Area)

BY AND BETWEEN

THE CITY OF CHICAGO

AND

THE ZIEGLER COMPANIES, INC. AND B.C. ZIEGLER AND COMPANY

This agreement was prepared by
and after recording return to:
Adam R. Walker, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

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Exhibit A	*Redevelopment Area
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Exhibit C	*TIF-Eligible Improvements
Exhibit D#	Redevelopment Plan
Exhibit E#	Construction Contract
Exhibit F	n/a
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Exhibit H-1	*Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I#	Approved Prior Expenditures
Exhibit J	Form of Opinion of Developer's Counsel
Exhibit K	Jobs Certificate Form
Exhibit L	Requisition Form

* indicates which exhibits are to be recorded

indicates which exhibits will not be included in the ordinance packet

This agreement was prepared by and
after recording return to:
Adam R. Walker, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

ZIEGLER COMPANIES REDEVELOPMENT AGREEMENT

This Ziegler Companies Redevelopment Agreement (this "**Agreement**") is made as of this **10th** day of **March, 2008** by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), The Ziegler Companies, Inc., a Wisconsin corporation ("**Ziegler Companies**"), and B.C. Ziegler and Company, a Wisconsin corporation ("**B.C. Ziegler**"), a wholly-owned subsidiary of Ziegler Companies (Ziegler Companies and B.C. Ziegler, jointly and severally, 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 November 15, 2006: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the LaSalle Central Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the LaSalle Central 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 LaSalle Central 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 in **Exhibit A** hereto.

D. The Project: The Developer, by and through B.C. Ziegler, has entered into an office lease (the "Lease") with 200 South Wacker Property, LLC (the "Building Owner"), the owner of an office building located at 200 South Wacker Drive, Chicago (the "Building"), for the purpose of relocating the national corporate headquarters of Ziegler Companies, B.C. Ziegler and Ziegler Capital Management, LLC ("Ziegler Capital"), a wholly-owned subsidiary of Ziegler Companies, from Milwaukee, Wisconsin to the Building and continuing their respective headquarters operations therein. (The Ziegler Companies, B.C. Ziegler and Ziegler Capital, collectively, may be referred to herein as the "Developer Entities.") The Lease commences on or about August 1, 2007 (with right of entry to begin on or about April 16, 2007). The Developer is leasing approximately 44,513 rentable square feet of space on floors 20 and 21 (the "Ziegler Space") of the Building, as legally described on **Exhibit B** hereto, for an initial period of 11 years (e.g., through July 31, 2018) (the "Lease Term"), with one five-year renewal option.

For the Lease Term, or for such other term as is set forth herein, the Ziegler Space shall be the sole national corporate headquarters for the Developer Entities. Sole national corporate headquarters (the "Headquarters") shall mean that the Ziegler Space shall be the primary office location of executive offices and operations of each of the Developer Entities, including but not limited to the primary office locations of the CEO, the President, the Vice Chairman, the Chief Investment Officer, the General Counsel, the Chief Financial Officer, the Corporate Secretary and similar senior positions of each of the Developer Entities.

By the end of 2009, the Developer Entities will have relocated the following positions to the Ziegler Space: (i) for Ziegler Companies: Chief Executive Officer, President, Vice Chairman, Chief Investment Officer, General Counsel, and Corporate Secretary; (ii) for B.C. Ziegler: Chief Executive Officer President, Chief Investment Officer, General Counsel, Corporate Secretary, Senior Managing Director of Capital Markets Group, Senior Managing Director of Marketing and Communications Group, Senior Managing Director of Asset

Management Group, Senior Managing Director of Wealth Management Group, Senior Managing Director of Human Resources Group, Chief Operating Officer of Capital Markets Group, and Chief Compliance Officer; (iii) for Ziegler Capital: President, Chief Investment Officer, Corporate Secretary, Chief Financial Officer Director-Distribution & Marketing, and Chief Compliance Officer.

The Developer shall create a substantial public benefit by ensuring that the Developer Entities employ 151 full-time equivalent employees within the Ziegler Space not later than December 31, 2012 and that, of that number, at least 40 will have been relocated from outside the Chicago metropolitan area.

Developer shall undertake substantial rehabilitation and reconstruction necessary to permit the Developer Entities to take possession of the Ziegler Space in accordance with the terms of the Lease. The rehabilitation of the Ziegler Space (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 "**Rehabilitation Project**." The Rehabilitation Project and the use of the Ziegler Space as the Headquarters are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago LaSalle Central Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "**Redevelopment Plan**") attached hereto as **Exhibit D**.

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

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 as described in **Section 4.03(d)** hereof, the proceeds of which (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Eligible Improvements not previously paid for from Incremental Taxes or in order to reimburse the City for the costs of TIF-Eligible 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 the Recitals hereof.

“**Actual residents of the City**” shall mean persons domiciled within the City.

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

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

“**Available Incremental Taxes**” shall mean, for each payment, an amount equal to 90% of the Incremental Taxes on deposit in the LaSalle Central Redevelopment Project Area TIF Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City.

“**Building**” shall have the meaning set forth in the Recitals hereof.

“**Building Owner**” shall have the meaning set forth in the Recitals hereof.

“**Certificate**” shall mean the Certificate of Completion of Rehabilitation described in **Section 7.01** hereof.

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

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

“**City Fee**” shall mean the fee described in **Section 4.05(c)** hereof.

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

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

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

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

"Developer Entities" shall have the meaning set forth in the Recitals hereof.

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

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

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) available for the Project and unencumbered by any other obligation, 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.

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

"Full-Time Equivalent Employee" or **"FTE"** shall mean a permanent full-time position of any of the Developer Entities (or, with respect to job shares or similar work arrangements, such employees taken collectively) that requires work hours totaling at least 35 hours per week and 1750 work hours per year, and that is based in the Ziegler Space during the applicable month. FTE shall not include persons employed as independent contractors, third party service

providers, or consultants or persons employed by the Developer Entities or third parties in positions ancillary to the Developer Entities' operations such as food service workers, security guards, cleaning personnel, or similar positions.

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

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

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

"LaSalle Central 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..

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

"Lease Term" shall have the meaning set forth in the Recitals hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and dedicated, with no contingencies thereon, for the purpose of paying for the Costs of the Project, in the amount set forth in **Section 4.01** hereof.

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

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

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the Lease the net effect of which is to directly or indirectly do any of the following: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the Lease of the amendment; or (b) shorten the initial 11-year term of the Lease or grant additional early termination rights that, if exercised, would shorten the initial 11-year term

of the Lease. Reductions or expansions of space, or early termination of the term, if made pursuant to the express rights granted in the Lease in effect as of the date hereof, shall not constitute Material Amendments.

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

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

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

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

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

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

“**Project Budget**” shall mean the budget attached hereto as **Exhibit H-1**, showing the total cost of the Project by line item, furnished by the Developer to DPD, in accordance with **Section 3.03** hereof.

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

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

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

“**Rehabilitation Project**” shall have the meaning set forth in the Recitals hereof.

“**Requisition Form**” shall mean the document, in the form attached hereto as **Exhibit L**, 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.

“**Term of the Agreement**” shall mean the period of time commencing on the Closing Date and ending on the later of (a) the date that is 12 years after the date the Certificate is issued,

or (b) the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2030).

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

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

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

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

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

"Title Company" shall mean Chicago Title Insurance Company.

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

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

"Ziegler Space" shall have the meaning set forth in the Recitals hereof.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof: (i) commence construction of the Project not later than August 1, 2007; and (ii) complete construction and conduct business operations within the Project site not later than October 1, 2007.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to **Section 3.04** hereof. The Scope Drawings and Plans and Specifications shall 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 \$8,263,860. The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in **Section 4.02** hereof, shall be sufficient to complete the Project. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in **Section 3.07** hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Project; (b) a change in the use of the Ziegler Space to any use other than as the Headquarters for the Developer Entities; (c) a delay in the completion of the Project exceeding six months; or (d) cumulative increases in the Project Budget by more than 10%. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

3.07 Progress Reports. 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**).

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

3.09 Barricades. [intentionally omitted]

3.10 Public Relations. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer and the Project in the City's promotional literature and communications. The City will in good faith attempt to give Developer an opportunity to comment on such proposed literature or communications.

3.11 Utility Connections. [intentionally omitted]

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$8,263,860, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	\$3,263,860
Lender Financing	\$5,000,000
ESTIMATED TOTAL	\$8,263,860

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Eligible Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs (e.g., primarily for interior office space build-out construction and rehabilitation costs). **Exhibit C** sets forth, by line item, the TIF-Eligible Improvements for the Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to **Section 4.03(b)**), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes and/or TIF Bond Proceeds	\$2,416,000

provided, however, that the total amount of City Funds expended for TIF-Eligible Improvements shall be an amount not to exceed the lesser of \$2,416,000 or 29.2% of the actual total Project costs; and provided further, however, that if actual total Project costs are less than \$8,263,860, then the Maximum Amount of City Funds provided under this Redevelopment Agreement shall be reduced by 50 cents for every one dollar reduction in total Project costs below \$8,263,860; and provided further, that the \$2,416,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Eligible Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the LaSalle Central TIF Fund shall be sufficient to pay for such costs.

(c) First Disbursement of City Funds. On the first April 1st to occur following the issuance of the Certificate (the parties anticipate the Certificate will be issued during 2007 or early in 2008), the City shall pay \$241,600 in City Funds in a lump sum to Developer as reimbursement for any TIF-Eligible Improvements. Such payment of City Funds shall be contingent upon DPD having first received documentation satisfactory in form and substance to DPD (including Developer's filing of a Jobs Certificate) evidencing Developer's compliance with the applicable jobs covenants then due, as set forth in **Section 8.06** hereof.

(d) Second Disbursement of City Funds. Within 60 days following receipt by DPD of a Requisition Form not later than February 1, 2009 (e.g., on or about April 1, 2009), the City shall pay \$241,600 in City Funds in a lump sum to Developer as reimbursement for any TIF-Eligible Improvements. Such payment of City Funds shall be contingent upon DPD having first received,

along with the Requisition Form, documentation satisfactory in form and substance to DPD (including Developer's filing of a Jobs Certificate) evidencing Developer's compliance with the applicable jobs covenants then due, as set forth in Section 8.06 hereof.

(e) Third and Subsequent Disbursements of City Funds. Within 60 days following receipt by DPD of a Requisition Form not later than February 1, 2010 and subsequent receipt by DPD of a Requisition Form not later than each February 1 thereafter (e.g., on or about April 1, 2010 and each April 1 thereafter), the City shall pay not to exceed \$241,600 in City Funds in a lump sum per payment to Developer as reimbursement for any TIF-Eligible Improvements, until the Maximum Amount of City Funds due is fully paid; provided, however, that if the total Project costs expended by Developer on the Project by December 31, 2009 have not exceeded \$8,263,860, then: (A) the remaining City Funds to be paid under this Agreement shall be reduced pursuant to the formula set forth in Section 4.03(b) above (50 cents reduction in City Funds for every one dollar reduction in total Project costs below \$8,263,860); (B) the total amount of the unpaid, reduced City Funds shall be divided by eight; and (C) on each payment date hereof, a single one-eighth portion of the reduced City Funds shall be the amount paid to the Developer. Further, each such payment of City Funds shall be contingent upon DPD having first received, along with the Requisition Form, documentation satisfactory in form and substance to DPD (including Developer's filing of a Jobs Certificate) evidencing Developer's compliance with the applicable jobs covenants then due, as set forth in Section 8.06 hereof.

4.04 Requisition Form. After the Certificate is issued to Developer, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein, in order to request each disbursement of the City Funds.

4.05 Treatment of Prior Expenditures; City Fee; Allocations.

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

(b) City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

4.06 Cost Overruns. If the aggregate cost of the TIF-Eligible 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-Eligible Improvements in excess of City Funds and of completing the Project.

4.07 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.

4.08 Cost of Issuance. The Developer shall be responsible for paying all costs relating to the recordation of this Agreement and for the opinion described in Section 5.09 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 and Plans and Specifications. The Developer has submitted to DPD, and DPD previously has approved pursuant to Section 3.02, the Scope Drawings and Plans and Specifications 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 and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity 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, if any. Any liens against the Ziegler Space 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. [intentionally omitted]

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the all three of the Developer Entities' names (The Ziegler Companies, Inc., B.C. Ziegler and Company, and Ziegler Capital Management, LLC), as follows:

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

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

5.07 Surveys. [intentionally omitted]

5.08 Insurance. The Developer, at its own expense, has insured the Ziegler Space 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, if any, 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 the two prior fiscal years thereto, and audited or unaudited interim financial statements for the current fiscal year.

5.12 Documentation. The Developer shall have provided evidence satisfactory to DPD, in its sole discretion, with respect to its ability to satisfy MBE/WBE and City resident employment standards. Such documentation shall include, without limitation, an MBE/WBE utilization plan, including Schedules C and D, and evidence of the General Contractor's having met with, and having provided bid documents to, applicable MBE/WBE contractors and subcontractors.

5.13 Environmental. [intentionally omitted]

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of their respective Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the Developer is qualified to do business; secretary's certificates in such form and substance as the Corporation Counsel may require; by-laws of the corporations; and such other corporate documentation as the City has requested. Each 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.

5.16 Leases. The Developer shall have delivered to DPD a complete copy of the executed Lease, a completed copy of all other written agreements setting forth the Developer's and Building's understandings relating to the Developer's relocation to or occupancy of the Ziegler Space, and any financial agreements between the Developer and the Building (whether written or not) in any way relating to the Ziegler Space or the Lease.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Developer has entered into an agreement with J.C. Anderson, Inc. as its General Contractor for construction of the Project. The Developer hereby covenants that it shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Eligible Improvements, the Developer shall cause the General Contractor to select the

subcontractors submitting the lowest responsible bids that can complete the Project in a timely manner. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Eligible 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-Eligible Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. The Developer has delivered to DPD a copy of the Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, and DPD has approved same.

6.03 Performance and Payment Bonds. [intentionally omitted]

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-Eligible Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon proof provided to DPD's satisfaction of:

- (i) completion of the rehabilitation of the Ziegler Space in accordance with the terms of this Agreement;
- (ii) the total cost for relocating the Headquarters to the Ziegler Space and for rehabilitating, building out, setting up, and moving into the Ziegler Space for the first project year having equaled or exceeded \$6,758,860;
- (iii) certificate of occupancy for the Ziegler Space;

(iv) the establishment of Headquarters operations by all of the Developer Entities in the Ziegler Space in accordance with the terms of this Agreement;

(v) Developer having met or exceeded the MBE, WBE, prevailing wage and City residency requirements of this Agreement;

(vi) the employment of at least 56 Full-Time Employees at the Ziegler Space shown to the satisfaction of DPD (including Developer's filing of a Jobs Certificate), as set forth in Section 8.06 hereof;

(vii) Developer's incurrence of sufficient TIF-Eligible Improvements to meet or exceed the initial disbursement of City Funds contemplated by this Agreement (e.g., \$241,600);

(viii) cancelled checks and lien waivers, or the General Contractors' sworn statement and final lien waiver and invoice, for all amounts referenced in subsections (i), (v) and (vii) above;

(ix) Developer's registration of the Ziegler Space for, and progress toward the receiving of, basic LEED certification for corporate interiors;

(x) Developer having contributed the full amount of the Public Benefits contribution; and

(xi) upon the Developer's written request,

then DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project and, upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement. 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, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto, and the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of and TIF Bonds then outstanding.

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) each Developer is a Wisconsin corporation duly organized, validly existing, qualified to do business in its state of incorporation/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;

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

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

(d) the Developer remains bound by the Lease and is not in material breach of any portion of it;

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

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

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

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Ziegler Space (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business that would materially adversely affect the ability of the Developer to complete and perform 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 and perform the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Ziegler Space other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Ziegler Space or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(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, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop, rehabilitate and build out the Ziegler Space 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 (including zoning ordinances), rules, regulations, executive orders and codes applicable to the Project, the Ziegler Space and/or the Developer.

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

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

8.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds 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 for, the TIF-Eligible Improvements ("**Other 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 Other 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 Job Creation and Retention; Covenant to Keep Headquarters in the City. Developer shall cause to be created, maintained and located at the Ziegler Space, not later than the dates set forth herein, the following:

(i) by December 31, 2007: create and relocate a net total of 56 FTEs, by relocating not fewer than 5 non-Chicago FTEs and 41 existing Chicago FTEs, and creating not fewer than 10 new FTEs or creating a combination of not fewer than 15 new or relocated non-Chicago FTEs, including the relocation of the following principal Headquarters positions and the principal Headquarters employees to the Ziegler Space:

The Ziegler Companies, Inc.	B.C. Ziegler and Company	Ziegler Capital Management
Chief Executive Officer President Vice Chairman	Chief Executive Officer President Senior Managing Director of Capital Markets Group Senior Managing Director of Wealth Management Group Chief Operating Officer of Capital Markets Group	Director-Distribution & Marketing

(ii) by December 31, 2008: create and relocate a net total of 91 FTEs, by relocating (in addition to the amount required for the prior year) not fewer than 20 non-Chicago FTEs and creating (in addition to the amount required for the prior year) not fewer than 15 new FTEs or creating a combination of not fewer than 35 new or relocated non-Chicago FTEs;

(iii) by December 31, 2009: create and relocate a net total of 121 FTEs, by relocating (in addition to the amount required for the prior year) not fewer than 15 non-Chicago FTEs and creating (in addition to the amount required for the prior year) not fewer than 15 new FTEs or creating a combination of not fewer than 30 new or relocated non-Chicago FTEs, including the relocation of the following principal Headquarters positions and the principal Headquarters employees to the Ziegler Space:

The Ziegler Companies, Inc.	B.C. Ziegler and Company	Ziegler Capital Management

Chief Executive Officer President Vice Chairman Chief Investment Officer General Counsel Corporate Secretary	Chief Executive Officer President Chief Investment Officer General Counsel Corporate Secretary Senior Managing Director of Capital Markets Group Senior Managing Director of Marketing and Communications Group Senior Managing Director of Asset Management Group Senior Managing Director of Wealth Management Group Senior Managing Director of Human Resources Group Chief Operating Officer of Capital Markets Group Chief Compliance Officer	President Chief Investment Officer Corporate Secretary Chief Financial Officer Director-Distribution & Marketing Chief Compliance Officer
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(iv) by December 31, 2010: create and relocate a net total of 131 FTEs, by creating (in addition to the amount required for the prior year) not fewer than 10 new FTEs;

(v) by December 31, 2011: create and relocate a net total of 141 FTEs, by creating (in addition to the amount required for the prior year) not fewer than 10 new FTEs;

(vi) by December 31, 2012: create and relocate a net total of 151 FTEs, by creating (in addition to the amount required for the prior year) not fewer than 10 new FTEs;

(vii) beginning January 1, 2013 and terminating on the date that is 10 years after the date the City issued the Certificate (the “**Jobs Maintenance Compliance Period**”): show evidence to the City once annually that not fewer than 90% of 151 FTEs (e.g., not fewer than 136 FTEs) are located at the Ziegler Space; and

(viii) beginning on January 1, 2008 and terminating on the date that is 10 years after the date the City issued the Certificate (the “**Headquarters Maintenance Compliance Period**”), the Developer shall maintain its sole Headquarters at the Ziegler Space.

The Developer shall file a Jobs Certificate, in the form set forth on Exhibit K hereto, with DPD on February 1, 2008 and on each February 1 thereafter for the Term of the Agreement, certifying to its compliance with the relevant provisions of this Section 8.06.

The Developer shall be entitled to a single, one-year cure period during the Jobs Maintenance Compliance Period, provided, however, that if the cure period arises from a default under subsection (i) hereof, the City shall nonetheless not be obligated to issue the Certificate until such default is cured to the satisfaction of the City. The City will not have the right to recapture any previous payment(s) of TIF funds if a default under the Jobs Maintenance Compliance Period is not cured during that cure period. Any year during which the Developer cures a Jobs Maintenance Compliance Period default shall not count toward the required 10 years of compliance or any other obligation of the Developer under the agreement.

The parties agree that there shall be no cure period for the Headquarters Maintenance Compliance Period. The City will not have the right to recapture any previous payment(s) of TIF funds if a default under the Headquarters Maintenance Compliance Period occurs.

8.07 Employment Opportunity: Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in **Section 10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.09, 10.02 and 10.03** of this Agreement. Such reports shall be delivered to the City monthly until the Project is fully completed. 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 (the "**Department**"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.09**.

8.10 Arms-Length Transactions. Unless DPD 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-Eligible 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 Ziegler Space 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 any of the Developer Entities, the Ziegler Space 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 2006 and for each fiscal year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as 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 Ziegler Space 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 Ziegler Space 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 Ziegler Space (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 Ziegler Space 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 Ziegler Space 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 Ziegler Space. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing; Release. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed, at the Developer's expense and on the Closing Date, in the Cook County Recorder's office against the land parcel on which the Building and the Ziegler Space are located; provided that, notwithstanding the foregoing, this Agreement shall only encumber the leasehold interest of the Developer with respect to the Ziegler Space, and does not encumber the Property or impose any obligations on the Property owner or on any other occupants of the Property. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof. The City agrees that, upon the earlier to occur of: (i) its receipt of evidence of the termination or expiration of the Lease, or (ii) the termination or expiration of this Agreement, then it shall record a release of the Agreement with the Cook County Recorder of Deeds. 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. 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 Ziegler Space 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 Ziegler Space 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 Ziegler Space 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 Ziegler Space. The Developer's right to challenge real estate taxes applicable to the Ziegler Space 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 Ziegler Space 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 Ziegler Space 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) Real Estate Tax Exemption. With respect to the Ziegler Space 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.

(ii) 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 Ziegler Space or the Project.

(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.

(v) Covenants Affecting the Ziegler Space. The parties agree that the restrictions contained in this Section 8.19(c) are covenants affecting the Ziegler Space. 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. The City agrees that, upon the earlier to occur of: (i) its receipt of evidence of the termination or expiration of the Lease, or (ii) the termination or expiration of this Agreement, then it shall record a release of the Agreement with the Cook County Recorder of Deeds. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Ziegler Space 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).

8.20 Public Benefits Program. The Developer shall contribute the sum of \$25,000 to the After School Matters organization, due and payable on the Closing Date.

8.21 Leasehold Title Policy. On the date the Lease or a memorandum thereof is recorded, the Developer shall furnish the City with a copy of the Leasehold Title Policy for the Ziegler Space, certified by the Title Company, showing fee simple title to the Property in the Landlord under the Lease, subject to the leasehold interest of the Developer under the Lease, with the Developer as the insured with respect to the leasehold interest in the Ziegler Space. The Leasehold Title Policy shall be dated as of the date the Lease or a memorandum thereof is recorded and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Leasehold Title Policy also shall contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer shall provide to DPD, on or prior to the date the Lease or a memorandum thereof is recorded, a copy of the executed Lease and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Leasehold Title Policy and any endorsements thereto.

8.22 Limitation on Lease Amendments. Throughout the Term of this Agreement, the Developer shall not execute or consent to a Material Amendment or sell, assign or otherwise transfer its interest in the Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion.

8.23 LEED Certification. Within two years after the Certificate is issued, the Developer shall provide evidence acceptable to the City that LEED Certification has been obtained for the Ziegler Space. A default under this Section 8.23 shall result in a 20% reduction in City Funds to the Project and the Developer.

8.24 Job Readiness Program. The Developer shall undertake a job readiness program to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for certain jobs created and retained by the Project and the operation of the Developer's business within the Ziegler Space.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(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 Ziegler Space, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

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

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

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

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

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the 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) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of**

Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

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

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

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

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

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

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

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

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

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's

certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

As the Rehabilitation Project consists solely of the rehabilitation of former office space into office space for use by the Developer Entities, the parties agree that the Developer has conducted no environmental studies of the Ziegler Space.

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

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer'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 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) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the 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.

(v) 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.

(vi) 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.

(vii) 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 Ziegler Space. 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 Ziegler Space. 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 30 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.

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

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

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

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

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

- (i) the Developer's failure to comply with any of the terms, covenants and

conditions contained within this Agreement; or

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. Upon reasonable notice to the Developer, 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 during business hours 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 Ziegler Space during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

execution;

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

(i) the dissolution of the Developer; or

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

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

15.03 Curative Period. Unless otherwise specified elsewhere in this Agreement (e.g., in Section 8.06), 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.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Ziegler Space 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 Ziegler Space 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 Ziegler Space or any portion thereof with the prior written consent of the City is referred to herein as a

“Permitted Mortgage.” It is hereby agreed by and between the City and the Developer as follows:

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

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

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

SECTION 17. NOTICE

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

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

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

If to the Developer: The Ziegler Companies, Inc.
200 S. Wacker Drive
Chicago, Illinois 60606
Attention: Legal Department

With Copies To: Wildman, Harrold, Allen & Dixon LLP
225 West Wacker Drive - Suite 2800
Chicago, Illinois 60606
Attention: Jeffrey P. Gray

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

SECTION 18. MISCELLANEOUS

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

the Developer by more than ninety (90) days.

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

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

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

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

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

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

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

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

18.10 Severability. If any provision in this Agreement, or any paragraph, sentence,

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, 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 Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Sections 8.19** (Real Estate Provisions) and **8.24** (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 agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

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

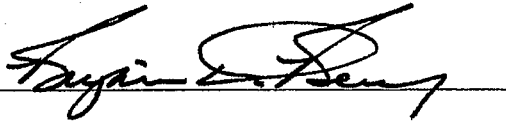
18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any 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.

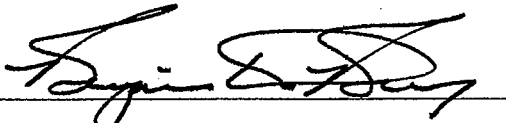
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

THE ZIEGLER COMPANIES, INC., a Wisconsin corporation

By: 
Its: Senior Managing Director & General Counsel

B.C. ZIEGLER and COMPANY, a Wisconsin corporation

By: 
Its: Senior Managing Director & General Counsel

CITY OF CHICAGO, an Illinois municipal corporation,
by and through its Department of Planning and
Development

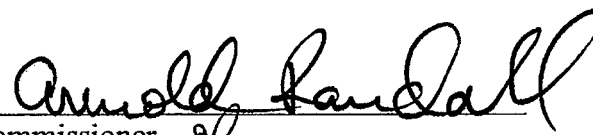

By: 
Commissioner 

EXHIBIT A

LaSalle Central Redevelopment Area

[see attached]