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# 2013 Annual Report

## LaSalle Central Redevelopment Project Area

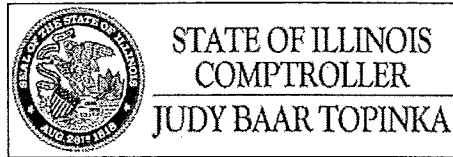


Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2014*

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FY 2013  
ANNUAL TAX INCREMENT FINANCE  
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: 2013  
 County: Cook Fiscal Year End: 12 /31/2013  
 Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name: <u>Andrew J.</u>	Last Name: <u>Mooney</u>		
Address: <u>City Hall, 121 N. LaSalle</u>	Title: <u>Administrator</u>		
Telephone: <u>(312) 744 0025</u>	City: <u>Chicago, IL</u>	Zip: <u>60602</u>	
Mobile: <u>n/a</u>	E-mail: _____		
Mobile Provider: <u>n/a</u>	Best way to contact: <input checked="" type="checkbox"/> Email	<input type="checkbox"/> Phone	
	<input type="checkbox"/> Mobile	<input type="checkbox"/> Mail	

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of \_\_\_\_\_  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]  
 \_\_\_\_\_ 6.24.14  
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]



Name of Municipality: Chicago  
 County: Cook  
 Unit Code: 016/620/30

Reporting Fiscal Year: 2013  
 Fiscal Year End: 12 / 31 / 2013

53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

Name of Municipality: Chicago

Reporting Fiscal Year: 2013

County: Cook

Fiscal Year End: 12 / 31 / 2013

Unit Code: 016/620/30

Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034

Name of Municipality: Chicago  
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Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030



**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2013**

<b>Name of Redevelopment Project Area:</b> LaSalle Central Redevelopment Project Area
<b>Primary Use of Redevelopment Project Area*:</b> Combination/Mixed
<b>If "Combination/Mixed" List Component Types:</b> Commercial/Public Facilities
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2013, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	X	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

Provide an analysis of the special tax allocation fund.

**FY 2013**

**TIF NAME:** LaSalle Central Redevelopment Project Area

Fund Balance at Beginning of Reporting Period

\$ 18,783,305

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment	21,420,164	\$ 109,432,683	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	48,563	450,359	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period**

21,468,727

**Cumulative Total Revenues/Cash Receipts**

\$ 109,883,042      100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2)

9,078,946

**Distribution of Surplus**

-

**Total Expenditures/Disbursements**

9,078,946

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

12,389,781

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 31,173,086

\* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

**Total Amount Designated** (Carried forward from Section 3.3)

\$ 31,173,086

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

FY 2013

TIF NAME: LaSalle Central Redevelopment Project Area

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**  
 (by category of permissible redevelopment cost, amounts expended during reporting period)

**FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED**

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	391,793	
		\$ 391,793
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)	5,500,379	
		\$ 5,500,379
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)	2,436,774	
		\$ 2,436,774
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -





**SECTION 3.2 A**

**PAGE 3**

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 9,078,946</b>

Section 3.2 B

FY 2013

TIF NAME: LaSalle Central Redevelopment Project Area

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

\_\_\_\_\_ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

Name	Service	Amount
City Staff Costs 1	Administration	\$344,959
City Program Management Costs	Administration	\$37,269
Navteq Corp.	Development	\$1,500,000
MillerCoors LLC	Development	\$955,000
United Air Lines Inc.	Development	\$3,795,379
Hertz Equipment Rental	Public Improvement	\$15,343
Big O Movers & Storage	Public Improvement	\$26,158
The Gordian Group	Public Improvement	\$11,273
Wight/Industrial JV	Public Improvement	\$189,311
FHP Tectonics Corp.	Public Improvement	\$312,144
Comed Exelon Energy	Public Improvement	\$32,968
Pacific Construction Services	Public Improvement	\$1,815,974
Leopardo Companies	Public Improvement	\$29,479

<sup>1</sup> Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts

\* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**

**FY 2013**

**TIF NAME:** LaSalle Central Redevelopment Project Area

**FUND BALANCE, END OF REPORTING PERIOD** \$ 31,173,086

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
Restricted for debt service	\$ -	\$ -

**Total Amount Designated for Obligations** \$ - | \$ -

<b>2. Description of Project Costs to be Paid</b>		
Restricted for future redevelopment project costs		\$ 31,173,086

**Total Amount Designated for Project Costs** \$ 31,173,086

**TOTAL AMOUNT DESIGNATED** \$ 31,173,086

**SURPLUS\*/(DEFICIT)** \$ -

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

**FY 2013**

**TIF NAME: LaSalle Central Redevelopment Project Area**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

  X   **No property was acquired by the Municipality Within the Redevelopment Project Area**

## SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2013

TIF NAME: LaSalle Central Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			<u>9</u>
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken	\$ 990,188	\$ -	\$ 121,201,514
Public Investment Undertaken	\$ 19,134,657	\$ 4,824,379	\$ 76,700,769
Ratio of Private/Public Investment	3/58		1 47/81
<b>Project 1:</b>			
<b>Ziegler</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 5,847,280
Public Investment Undertaken	\$ 724,800		\$ 2,416,000
Ratio of Private/Public Investment	0		2 29/69
<b>Project 2:</b>			
<b>United Airlines, Inc.</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 45,896,881
Public Investment Undertaken	\$ 10,545,379	\$ 3,045,379	\$ 25,889,769
Ratio of Private/Public Investment	0		1 17/22
<b>Project 3:</b>			
<b>NAVTEQ</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 23,583,483
Public Investment Undertaken	\$ 4,500,000	\$ 500,000	\$ 5,000,000
Ratio of Private/Public Investment	0		4 43/60
<b>Project 4:</b>			
<b>Miller Coors - 250 S. Wacker</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 21,500,000
Public Investment Undertaken	\$ 2,910,000	\$ 955,000	\$ 5,775,000
Ratio of Private/Public Investment	0		3 60/83
<b>Project 5:</b>			
<b>Lyric Opera Building</b>		Project Completed	
Private Investment Undertaken	\$ 990,188		
Public Investment Undertaken	\$ 454,478		
Ratio of Private/Public Investment	2 5/28		0
<b>Project 6:</b>			
<b>Accretive Health</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 3,480,987
Public Investment Undertaken	\$ -		\$ 6,000,000
Ratio of Private/Public Investment	0		47/81

<b>Project 7:</b>			
<b>Riverside Park - II</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 11,765,398
Public Investment Undertaken			\$ 29,500,000
Ratio of Private/Public Investment	0		2/5

<b>Project 8:</b>			
<b>JMC Steel Group HQ</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 3,576,602
Public Investment Undertaken		\$ 224,000	\$ 1,120,000
Ratio of Private/Public Investment	0		3 6/31

<b>Project 9:</b>			
<b>DeVry Office</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 5,550,883
Public Investment Undertaken		\$ 100,000	\$ 1,000,000
Ratio of Private/Public Investment	0		5 27/49

<b>Project 10:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

\*\*\* As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

**General Notes**

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

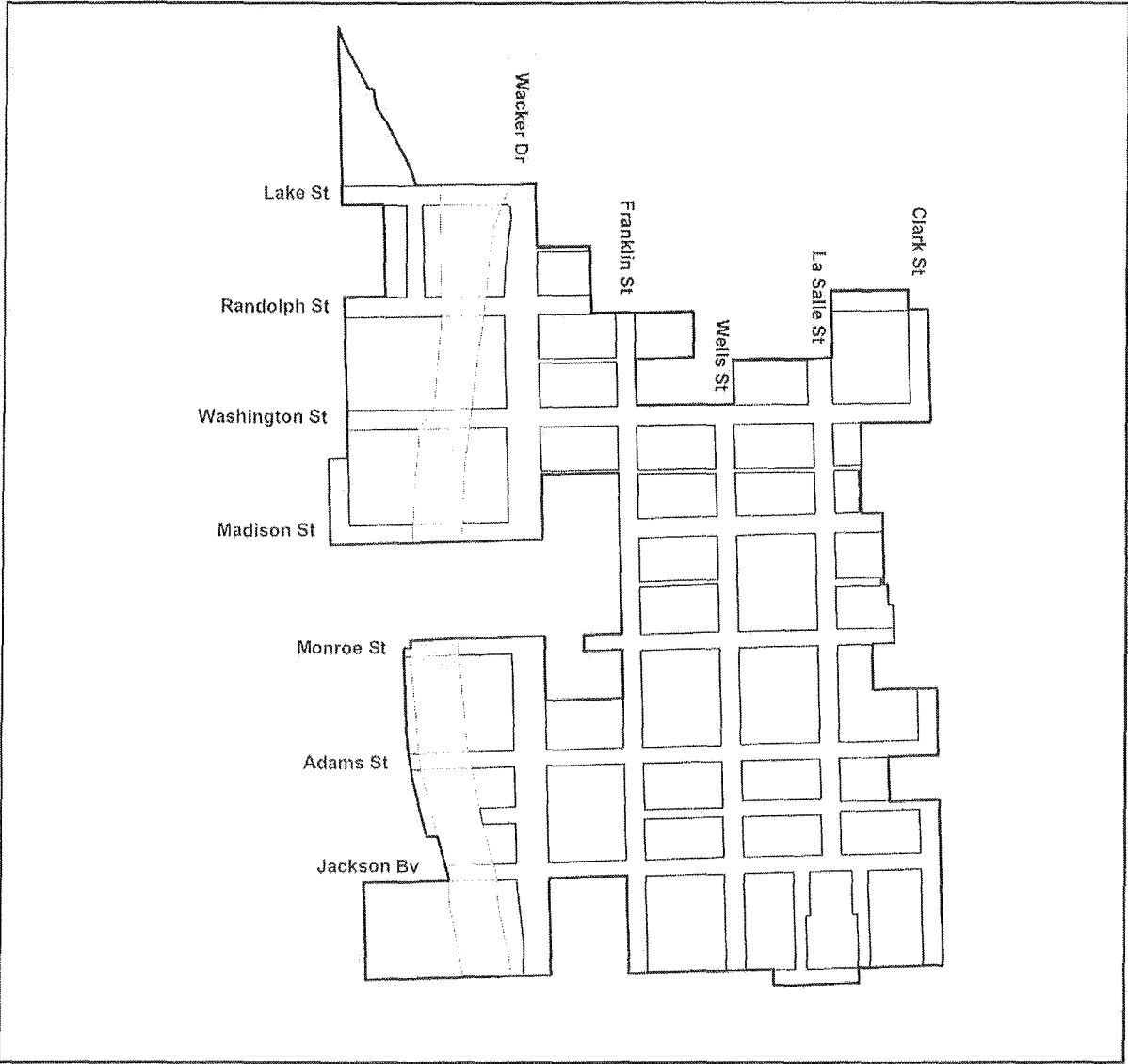
(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.



**LaSalle Central Redevelopment Project Area  
2013 Annual Report**





STATE OF ILLINOIS)

) SS

**Attachment B**

COUNTY OF COOK )

CERTIFICATION

TO:

Judy Baar Topinka  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District of  
Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Herman Brewer  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Lawrence Wilson, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, General Superintendent &  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 *et seq.* (the "Act") with regard to the LaSalle Central Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**

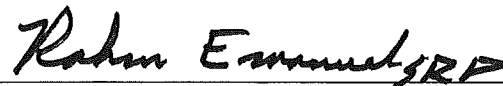
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2013, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2014.

Handwritten signature of Rahm Emanuel in black ink, written over a horizontal line.

Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2014

CITY OF CHICAGO

Attachment C

Judy Baar Topinka  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
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Chicago, IL 60602

Michael P. Kelly, General Superintendent  
& CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: LaSalle Central  
Redevelopment Project Area (the "Redevelopment Project  
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attachment C

Opinion of Counsel for 2013 Annual Report  
Page 2

June 30, 2014

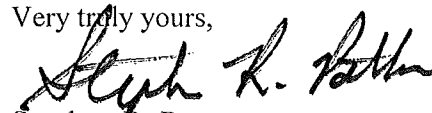
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**ATTACHMENT D**

**Activities Statement**

Projects that were implemented during the preceding fiscal year are set forth below:

<b><u>Name of Project</u></b>
Riverside Park - II
JMC Steel Group HQ
DeVry Office



Doc#: 1305713080 Fee: \$216.00  
Karen A. Yarbrough RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 02/26/2013 01:14 PM Pg: 1 of 90

8893165-1 / OF 2 DEPT

RIVER POINT PLAZA REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

RIVER POINT LLC

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

**Box 400-CTCC**

**TABLE OF CONTENTS**

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
1 RECITALS .....	3
2 DEFINITIONS.....	3
3 THE PROJECT.....	8
3.01 The Project.....	8
3.02 Scope Drawings and Plans and Specifications .....	9
3.03 Project Budget.....	9
3.04 Change Orders .....	9
3.05 HED Approval .....	10
3.06 Other Approvals.....	10
3.07 Progress Reports and Survey Updates .....	10
3.08 Inspecting Agent or Architect.....	10
3.09 Barricades .....	10
3.10 Signs and Public Relations.....	10
3.11 Utility Connections .....	11
3.12 Permit Fees.....	11
4 FINANCING.....	11
4.01 Total Project Cost and Sources of Funds.....	11
4.02 Developer Funds .....	11
4.03 City Funds.....	11
4.04 Construction Escrow; Requisition Form.....	13
4.05 Treatment of Prior Expenditures and Subsequent Disbursements.....	14
4.06 Cost Overruns .....	14
4.07 Preconditions of Disbursement and Execution of Certificate of Expenditure.....	14
4.08 Conditional Grant.....	15
4.09 Cost of Issuance .....	16
5 CONDITIONS PRECEDENT .....	16
5.01 Project Budget.....	16
5.02 Scope Drawings and Plans and Specifications .....	16
5.03 Other Governmental Approvals.....	16
5.04 Financing.....	16
5.05 Acquisition and Title.....	16
5.06 Evidence of Clean Title .....	17
5.07 Surveys.....	17
5.08 Insurance.....	17
5.09 Opinion of the Developer's Counsel .....	17
5.10 Evidence of Prior Expenditures .....	18
5.11 Financial Statements .....	18
5.12 Documentation.....	18
5.13 Environmental.....	18



**TABLE OF CONTENTS**

(continued)

<u>SECTION</u>	<u>PAGE</u>
5.14	Corporate Documents; Economic Disclosure Statement..... 18
5.15	Litigation..... 18
6	AGREEMENTS WITH CONTRACTORS..... 19
6.01	Bid Requirement for General Contractor and Subcontractors..... 19
6.02	Construction Contract..... 19
6.03	Performance and Payment Bonds..... 19
6.04	Employment Opportunity..... 19
6.05	Other Provisions..... 20
7	COMPLETION OF CONSTRUCTION OR REHABILITATION..... 20
7.01	Certificate of Completion of Construction or Rehabilitation..... 20
7.02	Effect of Issuance of Certificate; Continuing Obligations..... 21
7.03	Failure to Complete..... 21
7.04	Notice of Expiration of Term of Agreement..... 21
8	COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER..... 22
8.01	General..... 22
8.02	Covenant to Redevelop..... 24
8.03	Redevelopment Plan..... 25
8.04	Use of City Funds..... 25
8.05	Other Bonds..... 25
8.06	Covenant to Maintain Park..... 25
8.07	Employment Opportunity; Progress Reports..... 25
8.08	Employment Profile..... 25
8.09	Prevailing Wage..... 25
8.10	Arms-Length Transactions..... 26
8.11	Conflict of Interest..... 26
8.12	Disclosure of Interest..... 26
8.13	Financial Statements..... 26
8.14	Insurance..... 26
8.15	Non-Governmental Charges..... 26
8.16	Developer's Liabilities..... 27
8.17	Compliance with Laws..... 27
8.18	Recording and Filing..... 28
8.19	Real Estate Provisions..... 28
8.20	Affordable Housing Covenant..... 29
8.21	Participation in City Beautification Efforts..... 29
8.22	Public Benefits Program..... 29
8.23	Job Readiness Program..... 29
8.24	Survival of Covenants..... 29
8.25	Annual Compliance Report..... 29
8.26	FOIA and Local Records Compliance..... 29
8.27	Post-Closing Evidence of Permits and Other Government Approvals..... 30

**TABLE OF CONTENTS**

(continued)

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
9	COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY ..... 30
9.01	General Covenants ..... 30
9.02	Survival of Covenants ..... 30
10	DEVELOPER'S EMPLOYMENT OBLIGATIONS ..... 30
10.01	Employment Opportunity ..... 30
10.02	City Resident Construction Worker Employment Requirement ..... 31
10.03	MBE/WBE Commitment ..... 33
11	ENVIRONMENTAL MATTERS ..... 35
12	INSURANCE ..... 36
13	INDEMNIFICATION ..... 39
13.01	General Indemnity ..... 39
14	MAINTAINING RECORDS/RIGHT TO INSPECT ..... 40
14.01	Books and Records ..... 40
14.02	Inspection Rights ..... 40
15	DEFAULT AND REMEDIES ..... 40
15.01	Events of Default ..... 40
15.02	Remedies ..... 42
15.03	Curative Period ..... 42
16	MORTGAGING OF THE PROJECT ..... 43
17	NOTICE ..... 44
18	MISCELLANEOUS ..... 45
18.01	Amendment ..... 45
18.02	Entire Agreement ..... 45
18.03	Limitation of Liability ..... 45
18.04	Further Assurances ..... 45
18.05	Waiver ..... 45
18.06	Remedies Cumulative ..... 46
18.07	Disclaimer ..... 46
18.08	Headings ..... 46
18.09	Counterparts ..... 46
18.10	Severability ..... 46
18.11	Conflict ..... 46
18.12	Governing Law ..... 46
18.13	Form of Documents ..... 46
18.14	Approval ..... 46
18.15	Assignment ..... 46

**TABLE OF CONTENTS**

(continued)

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
18.16 Binding Effect.....	47
18.17 Force Majeure.....	47
18.18 Exhibits.....	47
18.19 Business Economic Support Act.....	47
18.20 Venue and Consent to Jurisdiction.....	47
18.21 Costs and Expenses.....	47
18.22 Business Relationships.....	48

**LIST OF EXHIBITS**

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	<b>Construction Contract—Not Attached Original on file with HED</b>
Exhibit F	Escrow Agreement
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Intentionally Omitted
Exhibit L	Requisition Form
Exhibit M	*Form of City Note M-1
Exhibit M-2	*Form of City Note M-2
Exhibit N	<b>Intentionally Omitted</b>
Exhibit O	Form of Subordination Agreement
Exhibit P	Form of Payment Bond

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

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

*This space reserved for Recorder's use only.*

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### RIVER POINT PLAZA REDEVELOPMENT AGREEMENT

<sup>2013</sup> This River Point Plaza Redevelopment Agreement (this "**Agreement**") is made as of this day of February, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and River Point LLC, a Delaware limited liability company (the "**Developer**").

### RECITALS

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

B. **Statutory Authority:** The City is authorized under the provisions of the **Tax Increment Allocation Redevelopment Act**, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the "**Act**"), to finance projects that eradicate blighted 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 has purchased (the "**Acquisition**") certain property located within the Redevelopment Area immediately adjacent to the Chicago River (the "**River**") at the confluence of the North, South and Main branches of the River in Chicago, Illinois and legally described on **Exhibit B** hereto (the "**Park Property**"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of an approximately one and six-tenths (1.6) acre public park on the Park Property (the "**Park**"). Of the approximately 69,542 square feet comprising the Park Property, approximately 17,800 square feet is owned in fee by Developer and approximately 49,622 square feet is also owned by Developer in fee but consists of air rights above Amtrak railroad facilities and approximately 2,119 square feet is also owned by Developer in fee simple but consists of air rights below the Developer Property. Construction of the Park shall include several components including: (a) the design and construction of a new river wall and river walk, the foundations and footings for the deck above the rail facilities, the structural supports and retaining walls for the deck, concrete decking and the ventilation, HVAC, (if any), elevator, lighting, drainage and irrigation facilities (collectively, the "**Project Deck**"); (b) design, construction and installation of finished surfaces, hardscape, sidewalks, lighting, and furniture; and (c) installation of landscaping, green space and other park amenities. As set forth in the Park DEM Agreement (as hereinafter defined), public access to the park will occur at various points on West Lake Street, a grand stairway entrance on North Canal Street and from the existing river walk to the north of the Park Property. In addition, public access through the lobby of an office building proposed to be constructed on the Developer Property (as defined below), as set forth below, will be available during normal park hours. Handicapped access will be available at three different entrances. The Park and plaza will be open to the public every day from 6 a.m. to 11 p.m. Construction of the Park and related improvements set forth in clauses (a), (b) and (c) above (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) is referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**Other Permits, Park Use, Other Uses & Park Easement:** Completion of the Project shall require the City, with the support and assistance of Developer, to apply for necessary permits and approvals to encroach into the River (such river encroachment area, the "**In-Fill Property**"). Upon receiving said approvals and permits, the Commissioner of the Department of Transportation shall grant Developer such rights and approvals to construct and maintain the Project on the In-Fill property, all as set forth in the Park DEM Agreement. The City shall bear no cost or liability for filing applications for and attempting to obtain the approvals required to acquire the In-Fill Property. The City shall use its best efforts (as reasonably determined by the City acting alone) to obtain approvals needed to acquire the In-Fill Property. Developer also owns approximately 45,022 square feet of property (the "**Developer Property**") immediately adjacent to and west of, and (solely with respect to an area of approximately 3,363 square feet of air space) above the Park Property, which property is also legally described on **Exhibit B** hereto. In connection with the construction of the Project, Developer will construct an office tower with ground floor retail (the "**Office Project**") on a portion of the Developer Property. In order to enhance the Park, a limited portion of the Park Property may be used for outdoor dining, subject to the receipt of all the customary permits as may be applicable for such use. In order to insure that the Park Property shall be used as a Public Park, pursuant to the Development Easement and Maintenance Agreement of even date herewith (the "**Park DEM Agreement**"), Developer will grant an easement (the "**Park Easement**") to the City at closing. As provided in the Park DEM

Agreement, the Developer shall be responsible for certain costs of landscaping, development and maintenance of the Park. The Park Easement and Developer's responsibility for such costs shall be set forth in detail in the Park DEM Agreement. The Park DEM Agreement shall also set forth how organized program activities in the Park shall be determined.

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 Finance District Eligibility Study Redevelopment Plan and Project (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, (i) Available Incremental Taxes (as defined below) to pay principal and interest on the City Note, and/or (ii) Incremental Taxes to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note. Upon recordation of this Agreement, the Developer shall have priority for Available Incremental Taxes ahead of all projects **EXCEPT** for the projects to be completed pursuant to (1) that certain redevelopment agreement (the "Navteq RDA") entered into as of January 21, 2010 by and between the City and the Navteq Corporation and recorded on January 26, 2010 as document number 1002612025 and (2) that certain redevelopment agreement (the "Ziegler RDA") entered into as of March 10, 2008 by and between the City and the Ziegler Companies, Inc. and B.C. Ziegler and Company and recorded on March 10, 2008 as document number 0807031100. The parties agree and understand that: (i) because the costs of TIF-Funded Improvements are being paid from Incremental Taxes deposited in the LaSalle Central Redevelopment Project Area TIF Fund attributable to the taxes levied on the Park Property and the Developer Property, and (ii) completion of a portion of the Office Project on the Developer Property is a condition to the City's issuance of the Certificate and subsequently the City Note that (iii) on or after the date of this Agreement, the City shall not allocate or pledge the Available Incremental Taxes (as defined below) required to make payments on the City Note (pursuant to the debt service schedule to be attached upon the Issuance Date) to any entity other than Developer and/or any of its Affiliates.

The City may, in its discretion, but subject to the limitations set forth herein, 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(c) hereof, the proceeds of which (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes (including any such payment made pursuant to any City Note provided to Developer pursuant to this Agreement) or Incremental Taxes, to make payments of principal and interest on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

**SECTION 1**

**RECITALS**

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

**SECTION 2**

**DEFINITIONS**

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

"**Act**" shall have the meaning set forth in 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.

"**Annual Compliance Report**" shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the RDA during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Covenant to Maintain the Park (**Section 8.06**); (2) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (3) delivery of updated insurance certificates, if applicable (**Section 8.14**); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (**Section 8.15**); and (5) compliance with all other executory provisions of the RDA.

"**Available Incremental Taxes**" shall mean an amount equal to the Incremental Taxes deposited in the LaSalle Central Redevelopment Project Area TIF Fund attributable to the taxes levied on the Park Property and the Developer Property.

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

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

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

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

**"Change Order"** shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.02, Section 3.03, Section 3.04 and Section 3.05 respectively.

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

**"City Funds"** shall mean the funds paid to the Developer pursuant to the City Note as further described in **Section 4.03(b)**.

**"City Note"** shall mean collectively:

(1) City Note A. The **TAX INCREMENT ALLOCATION REVENUE NOTE (RIVER POINT PLAZA REDEVELOPMENT PROJECT), TAX EXEMPT SERIES A**, to be in the form attached hereto as **Exhibit M-1**, in an initial principal amount equal to the amount of the Project Deck Costs which have been incurred by the Developer by the Issuance Date up to a maximum principal amount of \$29,500,000. Subject to (A) the maximum principal amount and (B) the amount of Project Deck Costs certified by the City, the determination of the initial principal amount of City Note A shall be subject to an investor letter provided by a qualified investment banker that City Note A can be supported to such initial principal amount given market conditions as of the date of the investor letter. City Note A shall be tax exempt and shall have a senior lien on Available Incremental Taxes. Upon issuance, the City will issue an amortization schedule for City Note A.

(2) City Note B. The **TAX INCREMENT ALLOCATION REVENUE NOTE (RIVER POINT PLAZA REDEVELOPMENT PROJECT), TAX EXEMPT SERIES B**, to be in the form attached hereto as **Exhibit M-2**, in an initial principal amount equal to the amount of Project Deck Costs which have been incurred by the Developer by the Issuance Date up to a maximum principal amount of the difference between the principal amount of City Note A and the total amount of Project Deck Costs that have been incurred by the Developer and certified by the City (up to a maximum amount of \$29,500,000). Note B shall be tax exempt and shall have a subordinate lien on Available Incremental Taxes. Upon issuance, the City will issue an amortization schedule for Note B.

The City Note shall be issued on the same day the Certificate is issued, pursuant to Section 7.01 hereof, and bear interest at a rate equal to the average median value of the BAA Uninsured G.O. Bond Index as published by Municipal Market Data (MMD) Reuters for a period of fifteen (15) business days prior to the Issuance Date plus 200 basis points up to a maximum of eight percent (8%) per annum which interest shall compound annually.

**"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, submitted to HED in accordance with Section 6.02, 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 Property"** 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) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

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

**"Escrow Agreement"** shall mean the Escrow Agreement establishing a construction escrow for the Project, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), if any, substantially in the form of Exhibit F attached hereto. The Escrow Agreement shall provide that: (i) the City shall receive a copy of the Escrow Agreement, copies of all disbursement requests, and copies of all inspecting agent reports required by the lender to disburse loan proceeds; (ii) all draw requests from the Escrow must be accompanied by, among other things, invoices, canceled checks, lien waivers owner's sworn statement, general contractor's sworn statement and MBE/WBE subcontractor contract amounts and certification letters as a prerequisite to disbursement and (iv) the City shall be a party to the Escrow Agreement for the purpose of receiving copies of all disbursement requests and the ability to request and receive information about the Escrow from the Title Company.

**"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.

**"General Contractor"** shall mean shall mean Clark/McHugh, a Joint Venture, formed by and between Clark Construction Group, LLC, a Maryland limited liability company and James McHugh Construction Co., an Illinois corporation, which has been hired by Developer pursuant

to Section 6.01, and approved by HED, or, upon Developer's request, such other general contractor as may be approved by HED in its reasonable discretion.

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

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

**"Issuance Date"** shall mean the date upon which the City Note and the Certificate are issued.

**"LaSalle Central Redevelopment Project Area TIF Fund"** shall mean the "LaSalle Central Redevelopment Project Area Special Tax Allocation Fund" which is the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

**"Lender Financing"** shall mean funds borrowed by the Developer, if any, from lenders and irrevocably available to pay for Project costs.

**"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.

**"Maintenance Reserve"** shall have the meaning set forth in the Park DEM Agreement.

**"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 Park Property or the Project.

**"Office Project"** shall have the meaning set forth in the Recitals hereof.

**"Park DEM Agreement"** shall have the meaning set forth in the Recitals hereof.

**"Park Property"** shall have the meaning set forth in the Recitals hereof.

**"Permitted Lender"** shall mean a lender providing Lender Financing or any other lender having a Permitted Mortgage, including, without limitation, Ivanhoe Cambridge and its subsidiaries and affiliates.

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

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

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

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

**"Project"** shall have the meaning set forth in 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 HED, in accordance with **Section 3.03** hereof.

**"Project Deck Costs"** shall mean the TIF Funded Improvements which are costs of designing and constructing the Project Deck, as detailed on **Exhibit C**.

**"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.

**"Requisition Form"** shall mean the document, in the form attached hereto as **Exhibit L**, to be delivered by the Developer to HED pursuant to Section 4 of this Agreement.

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

**"Survey"** shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Park Property (including the Park Easement) dated, as applicable, within 45 days prior to the Closing Date, within 45 days after the issuance of the Certificate, and as received by any Permitted Lender, if any, each of which shall be acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Park Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency.

**"Term of the Agreement"** shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 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 Bond Proceeds"** shall have the meaning set forth in the Recitals hereof.

**"TIF-Funded Improvements"** shall mean the Project Deck Costs 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-Funded Improvements for the Project.

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

**"Title Company"** shall mean Chicago Title Insurance Company.

**"Title Policy"** shall mean the following title insurance policies in the most recently revised ALTA or equivalent form issued by the Title Company: (i) a policy showing the Developer as the insured owner of the Park Property, noting the recording of this Agreement and the Park DEM Agreement as encumbrances against the Park Property and the Developer Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Park Property and Developer Property related to Lender Financing, if any (the **"Developer's Title Policy"**), and (ii) a policy showing the City as the insured owner of the Park Easement, noting recording of the Park DEM Agreement and this Agreement, and a subordination agreement in favor of the City (or other Park Easement holder) with respect to previously recorded liens against the Park Property and the Developer Property related to Lender Financing, if any (the **"City's Title Policy"**).

**"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.

### **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 Park no later than February 28, 2013; and (ii) complete

construction and make the Park available for public use no later than June 30, 2017. In connection with the development of the Project, certain railroad rules and policies will require construction during off-peak construction times, Developer is incurring substantial cost in order to comply with these rules and policies and thus it is in Developer's best interest to minimize work during these off-peak times. It is acknowledged that for the purposes of Chapter 11 of the City of Chicago Municipal Code and in light of the applicable railroad rules and policies, the Park shall be deemed a public improvement. Developer agrees that it shall use good faith efforts to minimize the duration of the off-peak construction hours during the construction of the Project.

3.02 **Scope Drawings and Plans and Specifications.** The Developer has delivered the Scope Drawings and Plans and Specifications to HED prior to the Closing Date and HED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED 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 shall furnish to HED, and HED shall approve in writing, a Project Budget showing total costs for the Project of Forty-One Million Two Hundred Sixty-Five Thousand Three Hundred Ninety-Eight and No/100 Dollars (\$41,265,398), which includes anticipated Project Deck Costs of at least Twenty Nine Million Five Hundred Thousand and No/100 Dollars (\$29,500,000). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing, if any, and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. Notwithstanding the foregoing, to the extent the Project is undertaken with Equity and without Lender Financing, line items in the Project Budget identified as Financing Fees and Interests Costs may be reduced to the extent such fees and costs are not incurred, but such reduction shall not reduce the City's obligation to reimburse City Funds in the amount of \$29,500,000 for Project Deck Costs. The Developer shall promptly deliver to HED 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 HED 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 HED for HED's prior written approval: (a) a reduction in the square footage of the Project by five percent (5%) or more (individually or cumulatively); (b) a change in the use of the Park Property to a use other than a park; (c) a delay in the commencement by more than six (6) months so long as HED is notified in writing of such delay and the reason therefore and/or completion of the Project by six (6) months or more; (d) Change Orders resulting in an aggregate modification to the Project Budget of five percent (5%) or more (excluding any Financing Fees and Interest Costs); or

(e) any material revision of the Scope Drawings or Plans and Specifications. 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 HED's written approval (to the extent required in this section). 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. Notwithstanding anything to the contrary in this Section 3.04, Change Orders resulting in an aggregate modification to the Project Budget of less than five percent (5%) (excluding any Financing Fees and Interest Costs), non-material revisions of the Scope Drawings or the Plans and Specifications, and changes to the Project Budget as a result of the Developer's election to proceed with equity financing in lieu of debt financing do not require HED's prior written approval as set forth in this Section 3.04, but HED shall be notified in writing of all such Change Orders.

3.05 **HED Approval.** Any approval granted by HED 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 HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Park Property or the Project.

3.06 **Other Approvals.** Any HED 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 HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 **Progress Reports and Survey Updates.** The Developer shall provide HED with written quarterly progress reports detailing the status of the Project, (including duplicates of applicable support documentation verifying the disbursement and receipt of Project funds - *i.e.* invoices, cancelled checks and/or lien waivers) also including a revised commencement and/or completion date, if necessary (with any change in commencement and/or completion date of more than six (6) months being considered a Change Order, requiring HED's written approval pursuant to Section 3.04). Following substantial completion of the Project Deck, the Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any Permitted Lender, reflecting improvements made to the Park Property. The City shall also have the right to review any and all draw requests from the Escrow; all such draw requests must be accompanied by, among other things, invoices, canceled checks, lien waivers owner's sworn statement, general contractor's sworn statement and MBE/WBE subcontractor contract amounts and certification letters.

3.08 **Inspecting Agent or Architect.** If requested by HED, an independent agent or architect selected by one of the Permitted Lenders providing Lender Financing (and approved by HED) or HED shall perform periodic inspections with respect to the

Project, and provide certifications with respect thereto to HED, prior to requests for HED to execute a Certificate of Expenditure.

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

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

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

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

#### **SECTION 4**

#### **FINANCING**

4.01 **Total Project Cost and Sources of Funds.** The Project Deck Costs are estimated to be \$29,500,000, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.06)*	\$29,500,000
Estimated City Funds (subject to Section 4.03) (\$29,500,000 – to be issued upon completion as reimbursement for payment of TIF Funded Improvements)	
<b>ESTIMATED TOTAL-PROJECT REIMBURSEMENT</b>	<b>\$29,500,000</b>

[\*NOTE: Developer reserves the right to use Lender Financing to pay for all or any portion of the Project Costs.]

The total cost of the Project (including the Project Deck) as set forth in Exhibit H is approximately Forty-One Million Two Hundred Sixty-Five Thousand Three Hundred Ninety-Eight and No/100 Dollars (\$41,265,398), subject to reduction of up to Seven Million Forty-One Thousand Sixty-Eight and no/100 Dollars (\$7,041,068) in Financing Fees and Interest Costs if only Equity is used to pay such costs.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of Certificate(s) of Expenditure in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder for Project Deck Costs prior to the issuance of a Certificate.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
City Note (to be paid from Available Incremental Taxes or Bond Proceeds as reimbursement for Project Deck Costs)	\$29,500,000

Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to the Developer upon issuance of the Certificate pursuant to Section 7.01 hereof. The maximum principal amount of the City Note shall be an amount equal to the costs of the TIF-Funded Improvements for completing the Project Deck which have been incurred by the Developer, not to exceed \$29,500,000; provided, however, that payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the LaSalle Central Redevelopment Project Area TIF Fund being sufficient for such payments.

(i) Reduction of Project Reimbursement Amount; Cost Overruns. The City shall provide Developer with TIF assistance to construct the Project Deck portion of the Project in an amount of up to \$29,500,000 provided, however, that if the Certificate(s) of Expenditure reflecting Project Deck Costs are less than



\$29,500,000, then the City shall reduce the amount of TIF assistance (and the principal value of the City Note) by the amount by which the Project Deck Costs are less than \$29,500,000 (such amount, as applicable, the "**Project Reimbursement Amount**"). Developer shall be solely responsible for all costs of the Project over the Project Reimbursement Amount, including any cost overruns.

(ii) Expense Certification, Amortization, Prepayment, Requisition Form and Other City Note Matters. Project Deck Costs will be certified by the Developer pursuant to Certificate(s) of Expenditure to, and approved by, the City on or before the Issuance Date. The Note will be supported solely from the ad valorem taxes which are allocated to, and when collected, are paid to the City Treasurer for deposit by the Treasurer into the LaSalle Central Redevelopment Project Area TIF Fund which are attributable to the taxes levied and collected on the Park Property and the Developer Property; provided, however, at its option, the City may issue tax increment allocation bonds secured by Incremental Taxes pursuant to a TIF bond ordinance and, subject to the applicable pre-payment restrictions, use the proceeds from such bond issuance(s) to pay off the City Note. No payments will be made and no interest shall accrue on the City Note until after it is issued. Upon issuance, the City will calculate an amortization schedule for each City Note and each of the City Note(s) shall be amortized according to the attached amortization schedule. The City may not pre-pay the City Note for a period of five years.

(iii) Assignment, Pledge or Transfer of City Note. The City Note may be assigned or pledged as collateral to any Permitted Lender and/or may be sold or assigned to a qualified purchaser, as such term is defined in the Investment Company Act of 1940, after the Issuance Date upon thirty (30) days prior written notice to the City, which written notice shall include evidence acceptable to the City and the Corporation Counsel that any qualified purchaser is such as defined in the Investment Company Act of 1940. Upon foreclosure or a conveyance in lieu of foreclosure, any Permitted Lender shall be permitted to take title to and become the holder of either or both of the City Note(s) with all rights of payment upon thirty (30) days prior written notice to the City. Developer also may transfer the City Note at any time to any Affiliate. In order to receive payments on the City Note, Developer (or holder of the City Note(s) as applicable) must submit a requisition form (the "**Requisition Form**") in the form attached hereto as Exhibit L by December 31st of each calendar year. The City shall make good faith efforts to make any payments due on the City Note pursuant to each applicable and timely submitted Requisition Form by the first business day in April following submission of the applicable Requisition Form (e.g., for Requisition Form submitted by December 31, 2013, the City will make good faith efforts to make payment by April 1, 2014.)

(c) TIF Bonds. The Commissioner of HED may recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds.

The Developer will cooperate with the City in the issuance of TIF Bonds, as provided in Section 8.05 hereof.

4.04                    **Construction Escrow; Certificate of Expenditure.**    The Developer shall enter into the Escrow Agreement with Permitted Lender(s), if any, and Title Company. All disbursements of Project funds which consist of Equity not expended as of the Closing Date and/or Lender Financing shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement relating to the Project (including the dispersal of funds for the Project through the Escrow), the terms of this Agreement shall control. The City shall be a party to the Escrow Agreement for the purpose of being allowed to receive (i) any and all information it requests from the Title Company and (ii) copies of any draw requests and related documents. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

Within thirty (30) days prior to issuance of the Certificate pursuant to Section 7.01 hereof, the Developer shall provide HED with Certificate(s) of Expenditure, along with the documentation described therein and otherwise requested by HED. Upon certification of the expenses set forth in the Certificate of Expenditure by HED, the Certificate of Expenditure shall be affixed to the City Note and thereby determine the outstanding value thereof.

4.05                    **Treatment of Prior Expenditures and Subsequent Disbursements.**

(a)                    **Prior Expenditures.** Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). HED 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 HED as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but may reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b)                    **Purchase of Property.** [INTENTIONALLY LEFT BLANK].

(c)                    **City Fee.** [INTENTIONALLY LEFT BLANK].

(d)                    **Allocation Among Line Items.** Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of HED, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed five percent (5%) of the Project Budget in the aggregate, may be made without the prior written consent of HED.

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

4.07 **Preconditions of Disbursement and Execution of Certificate of Expenditure.** Prior to the execution of any Certificate(s) of Expenditure by the City, the Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by the Developer to HED of any request for the execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such execution of a Certificate of Expenditure, as applicable, that:

(a) the total amount of the disbursement request or the request for Certificate of Expenditure, as applicable, represents the actual cost of the Acquisition, the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees, or other actual Project Deck Costs incurred by Developer;

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

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

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

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

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

(g) If the Project has not been completed, that the Project is In Balance. The Project shall be deemed to be in balance ("**In Balance**") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "**Available Project Funds**" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited, if any, by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within

10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

4.08 **Conditional Grant.** Prior to the Issuance Date, 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.

4.09 **Cost of Issuance.** The Developer shall be responsible for paying all costs relating to the issuance of the City Note, including costs relating to the opinion described in Section 5.09(b) 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 HED, and HED 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 HED, and HED has approved, 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, as and when required, secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to HED.

5.04 **Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and, if applicable, 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. If applicable, any liens against the Park Property in existence at the Closing Date relating to Lender Financing 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, against the Park Property and the Developer Property.

5.05 Acquisition and Title. As of the Closing Date, the Developer has furnished the City with

A. A copy of the Title Policy for the Park Property, certified by the Title Company, showing:

(a) The Developer as the named insured. The Title Policy shall be dated as of the Closing Date and contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The 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, contiguity, location, access (including for pedestrians) and survey. The Developer has provided to HED, on or prior to the Closing Date, documentation related to the purchase of the Developer Property and the Park Property and certified copies of all easements and encumbrances of record with respect to the Developer Property and the Park Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

(b) The City as the sole beneficiary of the Park Easement. The Title Policy shall be dated as of the Closing Date and contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidence the recording of (i) this Agreement pursuant to the provisions of Section 8.18 hereof, and (ii) the Park DEM Agreement according to the applicable provisions therein. The Title Policy shall also contain such endorsements as may be reasonably required by Corporation Counsel, including but not limited to satisfactory endorsements regarding zoning, contiguity, location, access (including for pedestrians) and survey.

B. A copy of the Developer's owner's title policy for the Developer Property, certified by the Title Company, showing the Developer as owner of the Developer Property and the named insured with condition of the owner's title reasonably acceptable to the City.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following names of Developer related entities): River Point Investment Trust; River Point Holdings LLC; IC 444 West Lake Street LLC; L&M Riverbend Venture; Hines 200 North Riverside Limited Partnership (along with any other Developer related entities the City may reasonably require) as follows:

Secretary of State  
Secretary of State

UCC search  
Federal tax search

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

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

5.07                    **Surveys.** The Developer has furnished the City with three (3) copies of the Survey which shall be subject to approval by the City which approval shall be provided in writing.

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

5.09                    **Opinion of the Developer's Counsel.**

(a)                    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.

(b)                    On the Issuance Date, the City has received from Foley & Lardner, special counsel, an opinion regarding the tax-exempt status and enforceability of the City Note, in form and substance acceptable to Corporation Counsel.

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

5.11                    **Financial Statements.** The Developer has provided unaudited financial Statements to HED for L&M Riverbend Venture ("L&M") for L&M's most recent three (3) fiscal years, and unaudited interim financial statements for Developer. Developer shall, upon request by HED, provide on-going financial statements for Developer prior to the Issuance of the City Note. The financial statements shall include financial statements of any publicly traded company with an ownership interest in the Developer.

5.12                    **Documentation.** The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters and such other information as HED or the Corporation Counsel may reasonably require.

5.13 **Environmental.** The Developer has provided HED with that certain phase I environmental audit with respect to the Park Property and that certain phase II environmental audit with respect to the Park Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 **Corporate Documents; Economic Disclosure Statement.** The Developer (for itself and the following certain related entities: River Point Investment Trust; River Point Holdings LLC; IC 444 West Lake Street LLC; L&M Riverbend Venture; Hines 200 North Riverside Limited Partnership) has provided a copy of its Articles or Certificate of Incorporation or Formation (or partnership certificates) containing the original certification of the Secretary of State of the respective states of incorporation and/or formation; certificates of good standing from the Secretary of State of the respective states of incorporation and/or formation and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation (partnership agreement of the partnership; articles of organization of the LLC and/or operating agreement of the joint venture); and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement for itself and all related Developer entities requested by the City, in the City's then current form, dated as of the Closing Date.

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

## **SECTION 6**

### **AGREEMENTS WITH CONTRACTORS**

#### 6.01 **General Contractor.**

(a) The Developer selected the General Contractor after soliciting bids from multiple qualified general contractors and receiving four written bids, each of which were presented to HED for its inspection and approval. The Developer has selected the general contractor submitting the lowest responsible bid that includes subcontractors who are qualified contractors eligible to do business with the City of Chicago. The Developer has provided HED with all information and documentation requested by HED to evidence Developer's (i) bid process and (ii) selection of the contractor with the lowest responsible bid and with only subcontractors who are contractors eligible to do business with the City of Chicago. 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 HED and all requisite permits have been obtained. The Developer shall submit copies of the Construction Contract to HED in accordance with Section 6.02 below.

(b) [INTENTIONALLY LEFT BLANK]

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

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

6.04 **Employment Opportunity.** The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof; provided, however, that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default under or termination of this Agreement or require the payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis.

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

## **SECTION 7**

### **COMPLETION OF CONSTRUCTION OR REHABILITATION**

7.01 **Certificate of Completion of Construction or Rehabilitation.** Upon (a) completion of the construction of the Project in accordance with the terms of this Agreement; (b) completion of that portion of the Office Project which includes (i) all initial tenant improvements to be performed by Developer for any one or more tenants ("Major Tenant(s)") leasing, in the aggregate, at least one-hundred fifty thousand (150,000) square feet of space (as measured by BOMA) which Developer is authorized to perform pursuant to the terms of a written lease(s) or other written contractual arrangement(s) with any one or more of such Major Tenant(s); (ii) the



core and shell of the Office Project and (iii) related infrastructure improvements (including, without limitation, joining public access points to the Park Property as shown on the Plans and Specifications); (c) grant of the Park Easement to the City; (d) delivery of Survey (as required in this Agreement) and the Title Policy as required herein (including the defined term and Section 5.05); (e) Developer's execution and delivery of the Park DEM Agreement; (f) receipt of evidence acceptable to HED (e.g. an architect's certificate) that Developer has completed the Project in accordance with the Project building permit; (g) evidence of the Project meeting or exceeding MBE/WBE, Prevailing Wage, and City Residency requirements, as reported by HED's Monitoring and Compliance Division; and (h) evidence that TIF-eligible Project Deck Costs have been incurred in amount equal to or greater than the Project Reimbursement Amount, to be determined solely by HED; and upon the Developer's written request, HED 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. HED shall use reasonable efforts to respond to the Developer's written request for a Certificate within sixty (60) 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 as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at **Sections 8.02, 8.06, 8.19** as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Park Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon (i) the Developer, (ii) 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, (iii) a lender exercising its rights pursuant to the provision of Lender Financing or (iv) a party that takes title to the Park Property as a result of a lender exercising such rights.

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

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event the aggregate cost of completing the TIF Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek 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 the City Note or the Bonds, if any.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, HED 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. It is agreed that the expiration of the Term of the Agreement shall not affect Developer's obligations under the Park DEM Agreement.

**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 applicable during the Term of the Agreement that:

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

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

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

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

indefeasible and merchantable fee simple title to the Park Property (and all improvements thereon) throughout the Term of this Agreement and shall take all reasonable steps (as reasonably required by HED) to ensure that it does nothing to interfere with the City's Park Easement or permits any transfer or assignment other than as allowed pursuant to the Park DEM Agreement;

(e) the Developer is now and for the Term of this 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 which would impair its ability to perform under this Agreement;

(g) the Developer has and shall maintain as and when required 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 HED: (1) be a party to any merger, liquidation or consolidation that would have a material adverse affect on the ability of the Developer to complete the Project (and in event of such the City is to receive sixty (60) days prior written notice and must inform Developer in writing that such merger, liquidation or consolidation will not, in the City's reasonable judgment, have such a material adverse affect on the Developer's ability to complete the Project; (2) sell, transfer, convey, lease or otherwise dispose of (A) all or substantially all of its assets except in the ordinary course of business or (B) any portion of the Park Property (including but not limited to any fixtures or equipment now or hereafter attached thereto, to a third party developer except as otherwise allowed in 8.01 (n) below; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition or otherwise materially and adversely affect the ability of Developer to complete the Project provided, however, that this Section 8.01(j) shall not be construed as limiting (i) the rights of any lender providing Lender Financing, or financing for the Office Project (the "Office Financing") to exercise

its rights pursuant to the provision of such Lender Financing (or Office Financing), to exercise its rights pursuant to the provision of such Lender Financing (or Office Financing) or limiting the Developer's performance of its obligations in connection with such Lender Financing or Office Financing; (ii) leases of space in the Office Project, (iii) the grant of a mortgage lien in the Park Property (so long as any such mortgage is subordinate to the Park DEM Agreement) or the Developer Property to a Permitted Lender, or (iv) the transfer of the Park Property (so long as any such transfer is subject to the terms of the Part DEM Agreement) and the Developer Property to a Permitted Lender pursuant to a foreclosure or a deed in lieu of foreclosure.

(k) the Developer has not incurred, and, prior to the issuance of the Certificate, shall not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Park Property (or improvements thereon) other than the Permitted Liens, or incur any indebtedness, secured or to be secured by the Park Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except any Lender Financing disclosed in the Project Budget; following the issuance of the Certificate, Developer may secure any debt by the Park Property or any portion thereof, provided the mortgage lien associated with any such secured financing is subject and subordinate to this Agreement, the Park DEM Agreement and the Park Easement, and any such refinancing shall be deemed a "Permitted Mortgage" pursuant to Section 16;

(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;

(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; and

(n) prior to the issuance of the Certificate, the Developer shall only sell or convey the Park Property if (i) HED gives its written consent after receiving sixty

days prior written notice of such sale (including the proposed terms thereof); (ii) the transferee agrees to comply with the covenants running with the Park Property; (iii) the transferee acknowledges and agrees that the Park Easement is in full force and effect and encumbers the Park Property in accordance with its terms; and (d) the transferee assumes Developer's obligations under the Park DEM Agreement. Following issuance of the Certificate, Developer may sell or convey the Park Property pursuant to the terms of the Park DEM Agreement.

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

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

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

8.05                    **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 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-Funded Improvements (the "**Bonds**"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The Developer shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading.

8.06                    **Covenant to Maintain Park.** Developer covenants to maintain the Park Property pursuant to the terms of the Park DEM Agreement. The Park DEM Agreement shall run with the land and be binding on all successors, assigns and transferees of the Park Property and the Developer Property.

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 HED 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 and when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED'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 HED, from time to time, statements of its employment profile upon HED'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. If this Prevailing Wage requirement is not satisfied or if such failure is not corrected pursuant to the terms of this Agreement and all applicable laws then the City shall declare Developer in default under this Agreement.

8.10 **Arms-Length Transactions.** Unless HED has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement; provided, however, that HED agrees that Developer may pay Hines Interests Limited Partnership a development management fee as disclosed in Exhibit C. 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 HED'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 Park Property or any other property Developer or its Affiliates own in the Redevelopment Area.

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

8.13 **Financial Statements.** The Developer shall obtain and provide to HED Financial Statements for the Developer's current fiscal year as of the Closing Date (if such current fiscal year has not ended, Developer shall provide (i) interim financial statements for the current fiscal year as of the Closing Date and Financial Statements within ninety (90) days of the end of said current fiscal year), and if requested by HED each year thereafter until issuance of the Certificate. 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 HED 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 Park Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Park Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to HED, within thirty (30) days of HED's request, official receipts from the appropriate entity, or other proof satisfactory to HED, 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 Park Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 Park Property or any portion thereof or any fixtures that are or may be attached thereto, during the

pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16                    **Developer's Liabilities.** The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify HED 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. Upon Developer's transfer of the Park Property and the Developer Property, as a result of a Permitted Lender's exercise of its rights pursuant to the provision of Lender Financing or Permitted Mortgage or otherwise, or assignment of its rights and/or obligations in accordance with the terms of this Agreement, Developer shall be released from all liability and/or obligations accruing after such transfer or assignment and shall have no further rights under this Agreement.

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

8.18                    **Recording and Filing.** The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Park Property and the Developer Property as of the date hereof in the conveyance and real property records of the county in which the Project is located. If this Agreement is not recorded prior to any mortgage made in connection with Lender Financing, then all Permitted Lenders providing Lender Financing must execute a subordination agreement which subordinates the lien of their mortgages to covenants in favor of the City (pursuant to this Agreement). The Developer shall pay all fees and charges incurred in connection with recording this Agreement and the subordination agreement (if applicable). Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement and the subordination agreement (if applicable) 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 Park Property, the Developer Property or the Project, or become due and payable, and which create or may create a lien upon the Developer or all or any portion of the Developer Property, the Park Property or the Project. "Governmental Charge" shall mean all



federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City on Developer operations that do not include the Project) relating to the Developer, the Park Property or the Project including but not limited to real estate taxes.

(ii) **Right to Contest.** The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Park Property. 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 HED of the Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option,

(iii) the Developer shall demonstrate to HED'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 Park Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(iv) the Developer shall furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 Park Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) **Developer's Failure To Pay Or Discharge Lien.** If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise HED thereof in writing, at which time HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED 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.** [INTENTIONALLY LEFT BLANK]

8.20 **Affordable Housing Covenant.** [INTENTIONALLY LEFT BLANK]

8.21 **Participation in City Beautification Efforts.** [INTENTIONALLY LEFT BLANK].

8.22 **Public Benefits Program.** [INTENTIONALLY LEFT BLANK].

8.23 **Job Readiness Program.** [INTENTIONALLY LEFT BLANK].

8.24 **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 (except as provided in **Section 7** hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

8.25 **Annual Compliance Report.** Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Developer shall submit to DCD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.26 **FOIA and Local Records Act Compliance.**

(a) **FOIA.** Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records ("Records" as very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the Records requested are exempt under the FOIA. If Developer receives a request from the City to produce Records within the scope of FOIA, then Developer covenants to comply with such request within 48 hours of the date of such request. Failure by Developer to timely comply with such request will be a breach of this Agreement.

(b) **Exempt Information.** Documents that Developer submits to the City pursuant to this Agreement (including, without limitation, pursuant to **Section 8.25**, (Annual Compliance Report) or otherwise) that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If Developer marks a document as "proprietary, privileged and confidential", then HED will evaluate whether such document may be withheld under the FOIA. HED, in its discretion, will determine

whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) **Local Records Act.** Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 *et. seq.*, as amended (the "**Local Records Act**"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the transactions contemplated in the Agreement.

**8.27 Post-Closing Evidence of Permits and Other Government Approvals.** In lieu of the requirement to provide evidence or receipt of (a) necessary permits and approvals to encroach into the River to create the In-Fill Property; (b) the grant of such rights and approvals required to construct and maintain the Project on the In-Fill Property from the Commissioner of the City Department of Transportation as set forth in the Park DEM Agreement and (c) all other approvals and permits required by any state, federal, or local statute, ordinance or regulation; all as required by Section 5.03 hereof. Developer will provide the City with an update on the status of all permits and other approvals required to complete the Project at Closing and monthly updates thereafter until all such permits and other approvals are received. Developer shall use commercially reasonable efforts to diligently pursue the above-referenced permits and other approvals; provided, however, that the parties acknowledge that, as described in Recital D of this Agreement, the City, with the support and assistance of Developer, will apply for necessary permits and approvals to encroach into the River to create the In-Fill Property. Nothing in this Section 8.27 shall be deemed to be a waiver of (i) any protection for the City from cost or liability for obtaining approvals required to acquire the In-Fill Property and (ii) any remedy available hereunder to the City for Developer defaults.

## **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 Park Property (collectively, with the Developer, the "**Employers**" and individually an "**Employer**") to agree, that until issuance of the Certificate with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project:

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

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

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

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

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

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

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

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

(d) The Developer shall deliver monthly reports (and a report upon final completion of the Project) to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment (which shall be measured in actual dollars expended to date). 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. In addition to the requirements of Sections 2-92-450 and 2-92-730 of the Municipal Code of Chicago, as applicable, if Developer seeks to exclude the cost of any of the applicable Project activities from the MBE/WBE Budget, Developer must provide HED with a list of those activities (and the estimated cost of each activity) it wishes to exclude; the City, acting in its sole discretion, will then determine if these items are to be excluded from the MBE/WBE Budget. After the earlier of (i) the start of construction and (ii) execution of this Agreement, Developer may not request a waiver for any Project activity and/or its associated cost from the MBE/WBE Budget.

(g) Prior to the commencement of the Project and execution of this Redevelopment Agreement, 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, Section 10.02 and Section 8.09. 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, Section 10.02 and Section 8.09; 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, Section 10.02 and Section 8.09 to the City's monitoring staff concurrent with each draw request submitted pursuant to the Escrow Agreement, which documentation shall measure compliance in dollars expended to date and include 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.

(h) Prior to the earlier of (i) the start of construction and (ii) execution of this Agreement, Developer and/or the General Contractor shall submit the General Contractor's M/WBE Utilization Plan (including schedules C and D) to HED for review and approval which approval shall be given in writing, request a waiver for any Project activity and/or its associated cost from the MBE/WBE Budget. Prior to execution of this Agreement, Developer must submit evidence acceptable to HED that the General Contractor has met at least once with, and provided bid documents to, applicable M/WBE contractor associations.

## SECTION 11

### ENVIRONMENTAL MATTERS

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

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 existing or future Hazardous Material on or under, or the escape, seepage, leakage, spillage, investigation, transportation, disposal, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Park Property and the Developer Property or (B) any other real property in the City of Chicago which the Developer, or any Affiliate, 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), except that with respect to real property within the City of Chicago in which an Affiliate of Developer holds an estate or interest, only to the extent any losses, liabilities, damages, injuries, costs, expenses or claims are related to the Affiliate's relationship to the Developer or interest in the Project, the Park Property or the Developer Property; or (ii) any liens against the Park Property or the Developer Property permitted or imposed by any Environmental

Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Park Property or the Developer Property.

## SECTION 12

### INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained until the Certificate is issued, in accordance with the time periods set forth below, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

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

(ii) **Commercial General Liability (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 must 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.

(iii) **All Risk Property.** All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) **Construction.** Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

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

(ii) **Commercial General Liability (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 must include the following: All premises and operations,

products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, 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 (Primary and Umbrella)**. When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the 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 basis.

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

(v) **All Risk/Builders Risk**. When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

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

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

(viii) **Contractors Pollution Liability**. When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise

from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

(c) **Post Issuance of Certificate.**

(i) Insurance as required in the Park DEM Agreement.

(d) **Other Requirements.** The Developer must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, 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 prior to issuance of the Certificate. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

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

### SECTION 13

#### INDEMNIFICATION

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

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

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

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or 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 sole negligence, default under this Agreement and/or wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

## SECTION 14

### MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02                    **Inspection Rights.** Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Park Property during normal business hours until issuance of the Certificate and thereafter pursuant to the Park DEM 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 Park Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

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

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

(i) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer which materially impairs Developer's ability to perform its obligations under this Agreement; or

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

(k) prior to the issuance of the Certificate, the sale or transfer of the Park Property without the prior written consent of the City (except to a Permitted Lender pursuant to a foreclosure or deed in lieu of foreclosure) or taking any action which would adversely affect the ability of the City to maintain good, indefeasible right title and interest to the Park Easement.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's partnership interests.

15.02 **Remedies.** Upon the occurrence of an Event of Default prior to the issuance of the Certificate, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. After the issuance of the Certificate, the City's obligation to make payments on the City Note shall be vested without defense to payment (other than insufficiency of Available Incremental Taxes), including as a result of an Event of Default hereunder, and the City's obligation to make payments on the City Note shall survive any termination of this Agreement. Subject to the foregoing, 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, the specific performance of the agreements contained herein or any remedy available in the Park DEM Agreement.

15.03 **Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured so long as such default is cured within one-hundred eighty (180) days of Developer's receipt of written notice as set forth above.

## **SECTION 16**

### **MORTGAGING OF THE PROJECT**

All mortgages or deeds of trust in place as of the date hereof with respect to the Park Property and the Developer Property or any portion thereof are listed on **Exhibit G** hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "**Existing Mortgages.**" Any mortgage or



deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Park Property and the Developer Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Park Property and the Developer Property or any portion thereof that is subordinate to this Agreement, the Park DEM Agreement and the Park Easement, including any mortgage or deed of trust executed in connection with Lender Financing (as may be approved pursuant to the terms of this Agreement), 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 Park Property and the Developer Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Park Property and the Developer Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts, in writing, 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, in writing, all of the obligations and liabilities of "the Developer" hereunder from and after the date upon which such Permitted Lender succeeds to the Developer's interest; 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, in writing, 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 either such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept, in writing, 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) No New Mortgage shall be executed with respect to the Park Property and the Developer Property or any portion thereof without the prior written consent of the Commissioner of DPD unless the holder of the New Mortgage executes a subordination agreement in a form reasonably acceptable to the City and which (i) subordinates the lien of the mortgage to covenants that run with the Park Property and the Developer Property and (ii) acknowledges that

the Park DEM Agreement (including the Park Easement) is in existence and is one of the covenants that run with the Park Property and Developer Property.

**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 Housing and Economic 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:                        c/o Hines Interests Limited Partnership  
One South Dearborn Street  
Suite 2000  
Chicago, Illinois 60603  
Attention: Greg van Schaack and  
              C. Kevin Shannahan

and

c/o Hines Interests Limited Partnership  
Williams Tower  
2800 Post Oak Boulevard, Suite 4800  
Houston, Texas 77056  
Attention: C. Hasty Johnson

and

c/o Ivanhoé Cambridge  
525, 8th Avenue S.W., Suite 4200 Calgary, Alberta,  
Canada T2P 1G1  
Attention: Arthur Lloyd,  
Executive Vice President, Investments, Western North  
America

and

c/o Ivanhoé Cambridge  
1001 square Victoria, Bureau C-500 Montréal, Québec,  
Canada H2Z 2B5  
Attention: Pierre-François Champleau,  
Vice President, Office Development, North America  
Cc: Legal Affairs, Corporate Secretary  
Fax: 514-841-7675

With Copies To:

DLA Piper LLP (US)  
203 North LaSalle Street  
19th Floor  
Chicago, Illinois 60601  
Attention: David L. Reifman  
Paul W. Shadle  
Mariah DiGrino

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 one hundred eighty (180) days.

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

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

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

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

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

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

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

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

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

18.11                    **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the Bond Ordinance, if any, such ordinances 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, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15                    **Assignment.** Prior to the issuance of the Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement who accepts a written assignment of this Agreement shall confirm in writing to the City its agreement to abide by the terms of this Agreement (including, without limitation, all remaining executory terms of this Agreement), including but not limited to Sections 8.19 and 8.24 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, provided that

such sale, transfer, assignment, or disposal does not impair its ability to perform its obligations under this Agreement. Notwithstanding the foregoing, the City shall have no right to assign, transfer or convey any of its rights under the Park DEM Agreement without Developer's consent, which consent shall not unreasonably be withheld; provided, however, that no such consent shall be required with respect to (i) the Chicago Park District or another unit of local government that, consistent with its enabling legislation, is authorized to own (or hold an easement interest in) park and open space or (ii) any entity with which the City or the Chicago Park District or another unit of local government that, consistent with its enabling legislation, is authorized to own (or hold an easement interest in) park and open space has contracted to own any interest in or operate park and open space.

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-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.


18.22 **Business Relationships.** The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "**Business Relationship**" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

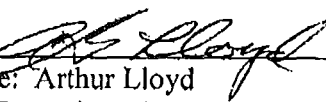
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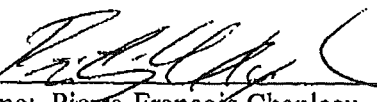
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

**RIVER POINT LLC**, a Delaware limited liability company

By: River Point Investment Trust, its sole member

By:   
Name: C. Kevin Shannahan  
Its: President and Chief Executive Officer

By:   
Name: Arthur Lloyd  
Its: Executive Vice President

By:   
Name: Pierre-Francois Chapleau  
Its: Vice President

**CITY OF CHICAGO**, an Illinois municipal corporation acting by and through its Department of Housing and Economic Development

By: \_\_\_\_\_  
Andrew J. Mooney  
Commissioner, Department of Housing and Economic Development



**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.

**RIVER POINT LLC**, a Delaware limited liability company

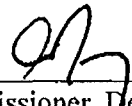
By: River Point Investment Trust, its sole member

By: \_\_\_\_\_  
Name: C. Kevin Shannahan  
Its: President and Chief Executive Officer

By: \_\_\_\_\_  
Name: Arthur Lloyd  
Its: Executive Vice President

By: \_\_\_\_\_  
Name: Pierre-Francois Chapleau  
Its: Vice President

**CITY OF CHICAGO**, an Illinois municipal corporation acting by and through its Department of Housing and Economic Development

By:  \_\_\_\_\_  
Commissioner, Department of Housing and Economic Development

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, GRAE VAN MOER, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that C. KEVIN SHANNAHAN, personally known to me to be the PRESIDENT + CEO of River Point Investment Trust (the "Trust"), a Maryland Real Estate Investment Trust, which is the sole member of River Point LLC (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Trustees of the Trust, on behalf of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of February, 2013.



(SEAL)

Grae Van Moer  
Notary Public

My Commission Expires 8/30/2014

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, GRACE VAN MOER, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that ARTHUR LLOYD, personally known to me to be the EVP of River Point Investment Trust (the "Trust"), a Maryland Real Estate Investment Trust, which is the sole member of River Point LLC (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Trustees of the Trust, on behalf of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of February, 2013.



Grace Van Moer  
Notary Public

My Commission Expires 8/30/2014

(SEAL)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, GRACE VAN MOER, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that PIERRE-FRANCOIS CHARLEAUX personally known to me to be the VP of River Point Investment Trust (the "Trust"), a Maryland Real Estate Investment Trust, which is the sole member of River Point LLC (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Trustees of the Trust, on behalf of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of February, 2013.



G. Van Moer  
Notary Public

My Commission Expires 8/30/2014

(SEAL)

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK        )

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

GIVEN under my hand and official seal this 20 th day of February, 2013



Patricia Sulewski  
Notary Public

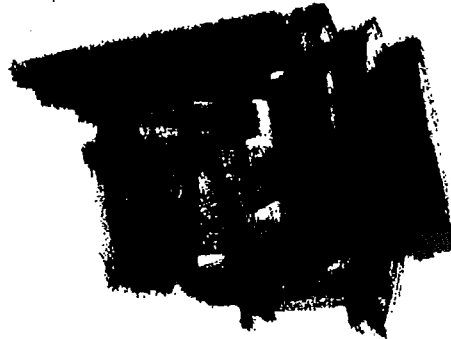
My Commission Expires 5/7/14

(SEAL)

EXHIBIT A

REDEVELOPMENT AREA

SEE ATTACHED



11/15/2006

REPORTS OF COMMITTEES

92095

*LaSalle Central Tax Increment Financing (T.I.F.) District.*

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 thereof 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 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



11/15/2006

## REPORTS OF COMMITTEES

92097

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 easterly extension of the south line of Lot 7 in the subdivision of Block 116 of School Section Addition to Chicago in Section 16; thence west along said easterly extension of the south line of Lot 7 and the south line thereof to the east line of the 20 foot wide alley west of Clark Street; thence north along said east line of the 20 foot wide alley west of Clark Street to the south line of Adams Street; thence east along said south line of Adams Street to the east line of Clark Street; thence north along said east line of Clark Street to the north line of Marble Place; thence west along said north line of Marble Place to the east line of Lot 2 in Block 117 in School Section Addition to Chicago in Section 16; thence north along said east line of Lot 2 in Block 117 to the south line of Monroe Street; thence east along said south line of Monroe Street to the southerly extension of the east line of Lot 21 in Assessor's Division of Block 118 of School Section Addition in Section 16; thence north along said southerly extension of the east line of Lot 21 to the north line of Monroe Street; thence north along the 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

92098

JOURNAL--CITY COUNCIL--CHICAGO

11/15/2006

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 of the heretofore described tract of land, all in Cook County, Illinois.

**EXHIBIT B**

**LEGAL DESCRIPTIONS OF PARK PROPERTY AND  
DEVELOPER PROPERTY**

**PARK PROPERTY**

PARCEL 1

LOTS 2 AND 3 IN THE RIVERPOINT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 0908310021, IN COOK COUNTY, ILLINOIS;

TOGETHER WITH,

THAT PART OF LOT 4A IN THE RIVERPOINT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 0908310021, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 35.00' ABOVE CHICAGO CITY DATUM, IN COOK COUNTY, ILLINOIS;

TOGETHER WITH,

THAT PART OF LOTS 1 AND 4 IN THE RIVERPOINT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 0908310021, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 35.00' ABOVE CHICAGO CITY DATUM AND LYING EAST OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 4 IN RIVERPOINT SUBDIVISION AFORESAID, BEING ALSO THE SOUTHWEST CORNER OF LOT 2; THENCE SOUTH 89 DEGREES 22 MINUTES 58 SECONDS WEST ALONG THE SOUTH LINE OF LOT 4 AFORESAID, 3.30 FEET TO A LINE 3.30 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF LOTS 1 AND 4 AFORESAID AND THE POINT OF BEGINNING; THENCE ALONG SAID PARALLEL LINE THE FOLLOWING 5 COURSES AND DISTANCES; NORTH 01 DEGREES 43 MINUTES 22 SECONDS WEST, 34.82 FEET; NORTHWESTERLY 182.98 FEET ALONG THE ARC OF CURVE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 505.37 FEET AND A CHORD DISTANCE OF 181.98 FEET WHICH BEARS NORTH 12 DEGREES 05 MINUTES 42 SECONDS WEST; NORTH 22 DEGREES 50 MINUTES 29 SECONDS WEST, 43.08 FEET; NORTHWESTERLY 76.22 FEET ALONG THE ARC OF CURVE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 763.06 FEET AND A CHORD DISTANCE OF 76.19 FEET WHICH BEARS NORTH 25 DEGREES 42 MINUTES 11 SECONDS WEST; NORTH

28 DEGREES 33 MINUTES 53 SECONDS WEST, 29.74 FEET; THENCE NORTH 34 DEGREES 25 MINUTES 37 SECONDS WEST ALONG A LINE, 93.03 FEET TO THE WEST LINE OF LOT 1 AFORESAID, BEING ALSO THE EAST LINE OF NORTH CANAL STREET; THENCE NORTH 01 DEGREES 41 MINUTES 03 SECONDS WEST ALONG SAID WEST LINE OF LOT 1 AND EAST LINE OF NORTH CANAL STREET, 28.31 FEET TO THE NORTH MOST CORNER OF SAID LOT 1 AND THE POINT OF TERMINUS OF SAID LINE; IN COOK COUNTY ILLINOIS.

#### PARCEL 2

EASEMENTS FOR THE BENEFIT OF PARCEL 1 TO CONSTRUCT, USE, MAINTAIN, REPAIR, REPLACE OR RENEW FROM TIME TO TIME ADEQUATE COLUMNS, TRUSSES, HORIZONTAL STRUCTURAL MEMBERS, FOUNDATIONS AND OTHER SUPPORTS AS CREATED BY THE FOLLOWING DOCUMENTS (THE "RAILROAD DEEDS"): (A) DEED IN TRUST SUBJECT TO EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED MARCH 28, 1989 AS DOCUMENT 89134782 MADE BY CHICAGO UNION STATION COMPANY ("CUSCO") TO L&M RIVERBEND VENTURE (AS SUCCESSOR IN INTEREST TO CHICAGO TITLE LAND TRUST COMPANY, AS SUCCESSOR TRUSTEE TO LASALLE NATIONAL BANK, N.A., AS TRUSTEE UNDER TRUST AGREEMENT DATED JANUARY 1, 1989 AND KNOWN AS TRUST NUMBER 114065), AS MODIFIED BY (i) INSURANCE PROVISIONS MODIFICATION OF DEED IN TRUST SUBJECT TO EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED JUNE 15, 1999 AS DOCUMENT 99573329 (THE "INSURANCE MODIFICATION"); AND (ii) SECOND MODIFICATION TO DEED IN TRUST SUBJECT TO EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED MAY 3, 2011 AS DOCUMENT NUMBER 1112322044 (THE "SECOND MODIFICATION") (COLLECTIVELY, THE "CUSCO DEED"); AND (B) DEED IN TRUST SUBJECT TO EASEMENTS, COVENANTS AND RESTRICTIONS RECORDED MARCH 28, 1989 AS DOCUMENT 89134783 MADE BY CUSCO, AS SUCCESSOR IN INTEREST TO CONSOLIDATED RAIL CORPORATION AND CMC REAL ESTATE CORPORATION, AND L&M RIVERBEND VENTURE (AS SUCCESSOR IN INTEREST TO CHICAGO TITLE LAND TRUST COMPANY, AS SUCCESSOR TRUSTEE TO LASALLE NATIONAL BANK, N.A., AS TRUSTEE UNDER TRUST AGREEMENT DATED JANUARY 1, 1989 AND KNOWN AS TRUST NUMBER 114065), AS MODIFIED BY (i) THE INSURANCE MODIFICATION; AND (ii) THE SECOND MODIFICATION (COLLECTIVELY, THE "CONRAIL DEED"), ON, OVER, THROUGH AND ACROSS THE FOLLOWING PROPERTY (THE "EXCEPTED PROPERTY"): (X) THAT PORTION OF PARCEL 3 OF THE CUSCO DEED LYING BELOW 32.83 FEET, CHICAGO CITY DATUM AND (Y) THAT PORTION OF PARCEL 2 OF THE CONRAIL DEED LYING BELOW 32.83 FEET CHICAGO CITY DATUM, IN COOK COUNTY, ILLINOIS.

#### PARCEL 3

THE FOLLOWING EASEMENTS FOR THE BENEFIT OF PARCEL 1 CREATED PURSUANT TO TRUSTEE'S DEED (THE "RIVERBEND DEED") RECORDED AUGUST 10, 1998 AS DOCUMENT NUMBER 98698771 (THE "RIVERBEND

EASEMENTS"): (A) A NON-EXCLUSIVE EASEMENT FOR THE PURPOSES DESCRIBED IN SECTION 7(F) OF THE RIVERBEND DEED OVER AND ACROSS THE PROPERTY DESCRIBED IN EXHIBIT A OF THE RIVERBEND DEED (THE "RIVERBEND PARCEL") AND (B) AN EASEMENT FOR THE PURPOSES DESCRIBED IN SECTION 7(A) OF THE RIVERBEND DEED IN, ON, OVER, UNDER, ALONG AND ACROSS THAT PORTION OF THE RIVERBEND PARCEL DESCRIBED ON EXHIBIT C OF THE RIVERBEND DEED.

**DEVELOPER PROPERTY**

PARCEL 1

LOTS 1 AND 4 IN THE RIVERPOINT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 0908310021;

EXCEPTING THEREFROM, THAT PART OF SAID LOTS 1 AND 4 LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 35.00' CHICAGO CITY DATUM AND LYING EAST OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 4 IN RIVERPOINT SUBDIVISION AFORESAID, BEING ALSO THE SOUTHWEST CORNER OF LOT 2; THENCE SOUTH 89 DEGREES 22 MINUTES 58 SECONDS WEST ALONG THE SOUTH LINE OF LOT 4 AFORESAID, 3.30 FEET TO A LINE 3.30 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF LOTS 1 AND 4 AFORESAID AND THE POINT OF BEGINNING; THENCE ALONG SAID PARALLEL LINE THE FOLLOWING 5 COURSES AND DISTANCES; NORTH 01 DEGREES 43 MINUTES 22 SECONDS WEST, 34.82 FEET; NORTHWESTERLY 182.98 FEET ALONG THE ARC OF CURVE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 505.37 FEET AND A CHORD DISTANCE OF 181.98 FEET WHICH BEARS NORTH 12 DEGREES 05 MINUTES 42 SECONDS WEST; NORTH 22 DEGREES 50 MINUTES 29 SECONDS WEST, 43.08 FEET; NORTHWESTERLY 76.22 FEET ALONG THE ARC OF CURVE, CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 763.06 FEET AND A CHORD DISTANCE OF 76.19 FEET WHICH BEARS NORTH 25 DEGREES 42 MINUTES 11 SECONDS WEST; NORTH 28 DEGREES 33 MINUTES 53 SECONDS WEST, 29.74 FEET; THENCE NORTH 34 DEGREES 25 MINUTES 37 SECONDS WEST ALONG A LINE, 93.03 FEET TO THE WEST LINE OF LOT 1 AFORESAID, BEING ALSO THE EAST LINE OF NORTH CANAL STREET; THENCE NORTH 01 DEGREES 41 MINUTES 03 SECONDS WEST ALONG SAID WEST LINE OF LOT 1 AND EAST LINE OF NORTH CANAL STREET, 28.31 FEET TO THE NORTH MOST CORNER OF SAID LOT 1 AND THE POINT OF TERMINUS OF SAID LINE; IN COOK COUNTY ILLINOIS;

PARCEL 2

THAT PART OF LOT 4A IN THE RIVERPOINT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 24, 2009 AS DOCUMENT NUMBER 0908310021, LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 35.00' CHICAGO CITY DATUM, IN COOK COUNTY, ILLINOIS.

PIN# 17-09-306-033-0000  
17-09-306-034-0000  
17-09-306-035-0000  
17-09-306-036-0000  
17-09-306-037-0000

Address: 165 Water Street  
Chicago, IL

**EXHIBIT C****TIF-FUNDED IMPROVEMENTS**

<u>Line Item</u>	<u>Cost</u>
Project Deck Hard Costs	\$25,244,435
Foundation, Crash Walls and River Wall	\$9,626,937
Pre-Cast (including architectural)	\$6,239,298
Stairs, Finishes and Elevator	\$1,388,967
RR Overtime/Premium, Flagman and Insurance	\$4,050,000
MEP and Waterproofing	\$3,939,233
General Conditions, Insurance, Bonds and Fees	\$2,433,842
Architectural, Engineering, Testing and Consultants	\$1,857,164
Developer Overhead and Fees	\$1,476,772
Switch Station Demolition	\$265,000
[Interest Costs	\$6,635,124*]
<b>Estimated Total Cost</b>	<b>\$37,912,337</b>

\* To the extent the Project is undertaken with Equity and without Lender Financing, the amount of TIF-Funded Improvements will be reduced to the extent Interest Costs (30% of which Developer incurs may be TIF-Eligible) are not incurred.

Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to \$29,500,000.

**EXHIBIT G**

**PERMITTED LIENS**

1. **Liens or encumbrances against the Park Property:** Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Park Property, if any: Involves only liens and encumbrances that are subordinate to the RDA and the Park Easement.



**EXHIBIT H****PROJECT BUDGET**

<u>Line Item</u>	<u>Cost</u>
Project Deck Hard Costs	\$25,244,435
Plaza Landscaping	\$1,975,000
East Structure	\$424,000
Switch Station Demolition	\$265,000
General Conditions, Insurance, Bonds and Fees (TIF Eligible)	\$2,433,842
General Conditions, Insurance, Bonds and Fees (Non-TIF Eligible)	\$231,290
Architectural, Engineering, Testing and Consultants (TIF Eligible)	\$1,857,164
Architectural, Engineering, Testing and Consultants (Non-TIF Eligible)	\$176,488
Developer Overhead and Fees (TIF Eligible)	\$1,476,772
Developer Overhead and Fees (Non-TIF Eligible)	\$140,339
Financing Fees (Non-TIF Eligible)	\$405,944 *
Interest Costs	\$6,635,124 *
Estimated Total Cost	\$41,265,398

\* To the extent the Project is undertaken with Equity and without Lender Financing, the Project Budget may be reduced to the extent Financing Fees and Interest Costs are not incurred, but any such reduction shall not act to reduce the total amount of City Funds of \$29,500,000.

**EXHIBIT H-2****M/WBE BUDGET**

Line Item	Amount
Foundations, Crash Walls and Structure	\$9,626,937
Precast Concrete	\$6,239,298
Stairs, Finishes and Elevators	\$1,388,967
MEP and Waterproofing	\$3,939,233
Landscaping	\$2,399,000
Switch Station Demolition	\$265,000
<b>TOTAL</b>	<b>\$23,858,435</b>

24% of \$23,858,435 = \$5,726,025 MBE Participation

4% of \$23,858,435 = \$954,338 WBE Participation

**EXHIBIT M-1**

**FORM OF NOTE**

**[TO BE REVISED FOLLOWING CONFIRMATION OF PROCESS OF PAYMENT AND  
UPON NOTE ISSUANCE]**

REGISTERED  
NO. R-1

MAXIMUM AMOUNT  
\$29,500,000.00

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (RIVER POINT PLAZA  
REDEVELOPMENT PROJECT), [TAX EXEMPT] SERIES [A]**

Registered Owner: [Developer]

Interest Rate: [Maximum Rate 8% per annum]

Maturity Date: [Up to December 31, 2030]

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$ \_\_\_\_\_ and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the [Available Incremental Taxes], (as defined in the hereinafter defined Redevelopment Agreement), is due April 1<sup>st</sup> of each year in accordance with the 10-year amortization schedule set forth below or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that

the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$29,500,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by \_\_\_\_\_ [Developer] (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [\_\_\_\_ acre/\_\_\_\_ square foot] site/building in the \_\_\_\_\_ Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 *et seq.*) and an Ordinance adopted by the City Council of the City on, \_\_\_\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** Subject to the [(i) *payment of the pre-payment penalties or (ii) prepayment lock-out period, as set forth in the Redevelopment Agreement*], the principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. [*There shall be no prepayment penalty except for the prepayment lock-out period.*] Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

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

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

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, \_\_\_\_\_ between the City and the Registered Owner (the "**Redevelopment Agreement**"), the Registered Owner has agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of \$ \_\_\_\_\_ shall be deemed to be a disbursement of the proceeds of this Note.

[After the issuance of the Certificate, the City's obligation to make payments on this Note shall be vested without defense to payment (other than insufficiency of Available Incremental Taxes), including as a result of an Event of Default under the Redevelopment Agreement, and the City's obligation to make payments on this Note shall survive any termination of the Redevelopment Agreement.] The City [shall] be obligated to make payments under this Note [notwithstanding that] an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such [obligations] shall survive [any or the] transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

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

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

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

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

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note ( \_\_\_\_\_ Redevelopment Project), [Taxable] Series [A], of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

**PRINCIPAL PAYMENT RECORD**

<u>DATE OF PAYMENT</u>	<u>PRINCIPAL PAYMENT</u>	<u>PRINCIPAL BALANCE DUE</u>



(ASSIGNMENT)

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO DEPARTMENT OF  
HOUSING AND ECONOMIC DEVELOPMENT

BY: \_\_\_\_\_

ITS: \_\_\_\_\_



**CERTIFICATION OF EXPENDITURE**

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$ \_\_\_\_\_ Tax Increment Allocation Revenue Note  
( \_\_\_\_\_ Redevelopment Project, [Taxable] Series [A])  
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payment made on the Note. **[TO BE REWORKED FOR ADDING TO PRINCIPAL BALANCE CONCEPT ONLY—NOT ADVANCED]**

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: \_\_\_\_\_  
Commissioner  
Department of Housing and  
Economic Development

AUTHENTICATED BY:

REGISTRAR

**EXHIBIT M-2**

**FORM OF NOTE**

**[TO BE REVISED FOLLOWING CONFIRMATION OF PROCESS OF PAYMENT AND UPON NOTE ISSUANCE]**

REGISTERED  
NO. R-2

MAXIMUM AMOUNT  
[\$ \_\_\_\_\_]

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE (RIVER POINT PLAZA REDEVELOPMENT PROJECT), [TAX EXEMPT] SERIES [B][SUBORDINATE]**

Registered Owner: [Developer]

Interest Rate: [Maximum Rate 8% per annum]

Maturity Date: [Up to December 31, 2030]

**KNOW ALL PERSONS BY THESE PRESENTS**, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$ \_\_\_\_\_ and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid.

Principal of and interest on this Note from the [Available Incremental Taxes], (as defined in the hereinafter defined Redevelopment Agreement), is due April 1<sup>st</sup> of each year in accordance with the 10-year amortization schedule set forth below or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that

the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$29,500,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by \_\_\_\_\_ [Developer] (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [\_\_\_\_ acre/\_\_\_\_ square foot] site/building in the \_\_\_\_\_ Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 *et seq.*) and an Ordinance adopted by the City Council of the City on, \_\_\_\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.** Subject to the [(i) *payment of the pre-payment penalties or (ii) prepayment lock-out period, as set forth in the Redevelopment Agreement*], the principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. [*There shall be no prepayment penalty except for the prepayment lock-out period.*] Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

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

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

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, \_\_\_\_ between the City and the Registered Owner (the "**Redevelopment Agreement**"), the Registered Owner has agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of \$ \_\_\_\_\_ shall be deemed to be a disbursement of the proceeds of this Note.

[After the issuance of the Certificate, the City's obligation to make payments on this Note shall be vested without defense to payment (other than insufficiency of Available Incremental Taxes), including as a result of an Event of Default under the Redevelopment Agreement, and the City's obligation to make payments on this Note shall survive any termination of the Redevelopment Agreement.] The City [shall] be obligated to make payments under this Note [notwithstanding that] an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such [obligations] shall survive [any or the] transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

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

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

**[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

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

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE  
OF  
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note ( \_\_\_\_\_ Redevelopment Project), [Taxable] Series [A], of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

**PRINCIPAL PAYMENT RECORD**

<u>DATE OF PAYMENT</u>	<u>PRINCIPAL PAYMENT</u>	<u>PRINCIPAL BALANCE DUE</u>

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

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

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

**CERTIFICATION OF EXPENDITURE**

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$ \_\_\_\_\_ Tax Increment Allocation Revenue Note  
(\_\_\_\_\_ Redevelopment Project, [Taxable] Series [A])  
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payment made on the Note. **[TO BE REWORKED FOR ADDING TO PRINCIPAL BALANCE CONCEPT ONLY—NOT ADVANCED]**

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: \_\_\_\_\_  
Commissioner  
Department of Housing and  
Economic Development

AUTHENTICATED BY:

REGISTRAR



(This space reserved for Recorder's use only)

**EXECUTION DRAFT**

**JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT**

**TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC  
REDEVELOPMENT AGREEMENT**

DATED AS OF November 15, 2013

BY AND BETWEEN

THE CITY OF CHICAGO

AND

**JMC STEEL GROUP, INC.,**  
a Delaware corporation

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

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT  
REDEVELOPMENT AGREEMENT**

**TABLE OF CONTENTS**

	<b>PAGE</b>
ARTICLE ONE: INCORPORATION OF RECITALS .....	3
ARTICLE TWO: DEFINITIONS .....	3
ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT .....	3
ARTICLE THREE: THE PROJECT .....	4
3.01 <u>The Project</u> .....	4
3.02 <u>Scope Drawings and Plans and Specifications</u> .....	4
3.03 <u>Project Budget</u> .....	4
3.04 <u>Change Orders</u> .....	4
3.05 <u>HED Approval</u> .....	5
3.06 <u>Other Approvals</u> .....	5
3.07 <u>Progress Reports and Survey Updates</u> .....	5
3.08 <u>Inspecting Agent or Architect</u> .....	5
3.09 <u>Barricades</u> .....	6
3.10 <u>Signs and Public Relations</u> .....	6
3.11 <u>Utility Connections</u> .....	6
3.12 <u>Permit Fees</u> .....	6
3.13 <u>Accessibility for Disabled Persons</u> .....	6
3.14 <u>Additional Project Features</u> .....	6
ARTICLE FOUR: FINANCING .....	7
4.01 <u>Total Project Cost and Sources of Funds</u> .....	7
4.02 <u>Developer Funds</u> .....	7
4.03 <u>City Funds</u> .....	7
4.04 <u>Sale or Transfer of the Project by Developer</u> .....	10
4.05 <u>Treatment of Prior Expenditures/Administration Fee</u> .....	11
4.06 <u>Cost Overruns</u> .....	11
4.07 <u>TIF Bonds</u> .....	11
4.08 <u>Preconditions of Disbursement</u> .....	12



8.11	<u>Insurance</u>	22
8.12	<u>Non-Governmental Charges</u>	22
8.13	<u>Developer's Liabilities</u>	22
8.14	<u>Compliance with Laws</u>	23
8.15	<u>Recording and Filing</u>	23
8.16	<u>Real Estate Provisions</u>	23
8.17	<u>Job Recruitment, Training and Hiring Plan</u>	25
8.18	<u>Occupancy, Operations and Land Use Covenants</u>	26
8.19	<u>Job Requirements</u>	26
8.20	<u>Annual Compliance Report</u>	27
8.21	<u>Reserved</u>	27
8.22	<u>Broker's Fees</u>	27
8.23	<u>No Conflict of Interest</u>	27
8.24	<u>Disclosure of Interest</u>	27
8.25	<u>No Business Relationship with City Elected Officials</u>	27
8.26	<u>Inspector General</u>	28
8.27	<u>Prohibition on Certain Contributions - Mayoral Executive Order No. 2011-4</u>	28
8.28	<u>Shakman Accord</u>	29
8.29	<u>Material Amendment To Lease/Lease Transfer</u>	30
8.30	<u>Wheatland Tube Facility - Use of MBE Contractors</u>	30
8.31	<u>Survival of Covenants.</u>	30
ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS		
	OF CITY	30
9.01	<u>General Covenants</u>	30
9.02	<u>Survival of Covenants</u>	30
ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS		31
10.01	<u>Employment Opportunity</u>	31
10.02	<u>City Resident Construction Worker Employment Requirement</u>	32
10.03	<u>Developer's MBE/WBE Commitment</u>	34
ARTICLE ELEVEN: ENVIRONMENTAL MATTERS		36
11.01	<u>Environmental Matters</u>	36
ARTICLE TWELVE: INSURANCE		36
12.01	<u>Insurance Requirements</u>	36
ARTICLE THIRTEEN: INDEMNIFICATION		36
13.01	<u>General Indemnity</u>	36
ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT		37

14.01	<u>Books and Records</u>	37
14.02	<u>Inspection Rights</u>	38
ARTICLE FIFTEEN: DEFAULT AND REMEDIES		38
15.01	<u>Events of Default</u>	38
15.02	<u>Remedies</u>	39
15.03	<u>Curative Period</u>	40
ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT		40
16.01	<u>Mortgaging of the Project</u>	40
ARTICLE SEVENTEEN: NOTICES		41
17.01	<u>Notices</u>	41
17.02	<u>Developer Requests for City or HED Approval</u>	42
ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS		42
18.01	<u>Amendments</u>	42
18.02	<u>Complete Agreement, Construction, Modification</u>	43
18.03	<u>Limitation of Liability</u>	43
18.04	<u>Further Assurances</u>	43
18.05	<u>Waivers</u>	43
18.06	<u>Remedies Cumulative</u>	43
18.07	<u>Parties in Interest/No Third Party Beneficiaries</u>	43
18.08	<u>Titles and Headings</u>	44
18.09	<u>Counterparts</u>	44
18.10	<u>Counterpart Facsimile Execution</u>	44
18.11	<u>Severability</u>	44
18.12	<u>Conflict</u>	44
18.13	<u>Governing Law</u>	44
18.14	<u>Form of Documents</u>	44
18.15	<u>Assignment</u>	44
18.16	<u>Binding Effect</u>	45
18.17	<u>Force Majeure</u>	45
18.18	<u>Exhibits and Schedules</u>	45
18.19	<u>Business Economic Support Act</u>	45
18.20	<u>Approval</u>	45
18.21	<u>Construction of Words</u>	46
18.22	<u>Date of Performance</u>	46
18.23	<u>Survival of Agreements</u>	46
18.24	<u>Equitable Relief</u>	46
18.25	<u>Venue and Consent to Jurisdiction</u>	46
18.26	<u>Costs and Expenses</u>	46

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT  
REDEVELOPMENT AGREEMENT**

**LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Building/Property
Exhibit B-2	Legal Description of the Wheatland Tube Facility
Exhibit B-3	Legal Description of the Atlas Tube Facility
Exhibit B-4	Site Plan for the Project / Headquarters Space
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	Schedule of TIF-Funded Improvements
Exhibit F	Form of Letter of Credit
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Reserved
Exhibit L	Form of Payment and Performance Bond
Exhibit M	Reserved
Exhibit N	City Funds Requisition Form

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

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

This space reserved for Recorder's use only

**JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC  
REDEVELOPMENT AGREEMENT**

This JMC Steel Group, Inc. Redevelopment Agreement (the "Agreement") is made as of this 15 day of November, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and JMC Steel Group, Inc., a Delaware corporation ("Developer").

**RECITALS:**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), 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 and 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 through the use of tax increment allocation financing for redevelopment projects.

**C. City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 15, 2006, and amended and corrected the ordinances on February 7, 2007 and May 9, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the LaSalle Central Redevelopment Project Area" (the "**Plan Adoption Ordinance**"); (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**"). Collectively the three ordinances are defined as the "**TIF Ordinances**". The redevelopment project area (the "**Redevelopment Area**") is legally described in Exhibit A.

**D. The Project:** Developer is the successor in interest to the John Maneely Company, a Pennsylvania corporation, which was founded in 1877. Developer is a manufacturer of piping and tubing with a network of 12 facilities across the United States and Canada. Developer presently employs about 1,750 employees and is presently headquartered in Chicago, Illinois. Developer's former headquarters was in Beachwood, Ohio and Developer is transitioning to Chicago. Developer presently has about 336 full-time employees in Chicago at 2 facilities: the Wheatland Tube facility at 4435 S. Western Avenue, ("**Wheatland Tube**") which employs about 153 employees, and the Atlas Tube facility at 1855 East 122<sup>nd</sup> Street ("**Atlas Tube**") which employs about 183 employees. A legal description of the Wheatland Tube facility is Exhibit B-2. A legal description of the Atlas Tube facility is Exhibit B-3.

Developer desires to relocate its corporate headquarters to Chicago and has requested TIF assistance from HED in support of this relocation. Developer proposes to relocate its corporate headquarters to the AT & T Center, 227 W. Monroe Street (the "**Building**" or the "**Property**"), and to covenant to maintain its corporate headquarters in the Building for 10 years. A legal description of the Building/Property is Exhibit B-1.

Developer has presently negotiated a contingent 15-year sublease (the "**Lease**") with Citicorp North America, Incorporated ("**Sub-Landlord**") and Tishman Speyer ("**Master Landlord**") for 29,080 square feet of office space on the 26<sup>th</sup> floor of the Building (the "**Headquarters Space**"). A site plan for the Headquarters Space, is Exhibit B-4. Developer contemplates constructing substantial tenant improvements to build-out the Headquarters Space for use as Developer's corporate headquarters (the "**Headquarters**"). All construction will be LEED certified for Commercial Interiors (as defined below). Construction and build-out of the Headquarters Space is defined as the "**Project**".

Within 4 years from the issuance of the certificate of completion for the Project, Developer will covenant to employ 100 FTE employees at its Headquarters, with 50 FTE employees being newly-hired or relocated from Ohio, and 50 FTE employees transferred from Atlas Tube. Thereafter, Developer will covenant to retain 153 FTE employees at Wheatland Tube and 133 FTE employees at Atlas Tube.



**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 Finance Program Redevelopment Plan and Project (the "**Redevelopment Plan**") attached as Exhibit C, as amended from time-to-time, included in the Plan Adoption Ordinance and published at pages 92019 to 92114 of the Journal of the Proceedings of the City Council for November 15, 2006.

**F. City Financing and Assistance:** Subject to Developer fulfilling its obligations under this Agreement required to obligate the City to do so, the City will make cash payments to Developer, in the amounts stated in Section 4.03, to reimburse Developer out of Available Incremental Taxes (as defined below) as provided in this Agreement for the costs of the TIF-Funded Improvements (as defined below) under 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 (as defined below) as provided in a TIF bond ordinance (the "**TIF Bond Ordinance**"), at a later date as described and conditioned in Section 4.07. The proceeds of the TIF Bonds (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

## **AGREEMENT:**

### **ARTICLE ONE: INCORPORATION OF RECITALS**

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### **ARTICLE TWO: DEFINITIONS**

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### **ARTICLE TWO-A: TERMINATION OF PRIOR AGREEMENT**

As of the Closing Date of this Agreement, that certain Redevelopment Agreement dated as of September 30, 2005 and recorded October 3, 2005 as document 0527627060 by and between the City and John Maneely Company, a Pennsylvania corporation d/b/a Wheatland Tube Company, and now known as JMC Steel Group, Inc., a Delaware corporation as successor in interest (the "**2005 RDA**"), and each and every provision thereof, shall be terminated, ended and no longer of any express or implied force or effect, with all rights and duties of any party to the 2005 RDA and each and every provision thereof being extinguished, and including, but not

limited to: (i) the certificate of expenditure issued by the City under the 2005 RDA; and (ii) the promissory note issued by the City under the 2005 RDA, both of which will be tendered back to the City for cancellation on the Closing Date of this Agreement, with no payment of principal or interest due or owing and with any accrued but unpaid interest cancelled; provided, however, that the 2005 RDA Article Thirteen-Indemnification, shall survive this termination of the 2005 RDA. Also on the Closing Date, the parties will cause a release of the 2005 RDA to be recorded in the Office of the Recorder of Deeds of Cook County.

### ARTICLE THREE: THE PROJECT

3.01 **The Project.** Developer has completed construction of the Project and has received its Certificate of Occupancy on October 13, 2011.

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to HED and HED has approved them or HED has agreed to approve them as a post-closing item promptly upon receipt. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to 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.** Developer has furnished to HED, and HED has approved, a Project Budget which is Exhibit D-1, showing total costs for the Project in an amount not less than \$4,696,602. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 **Change Orders.**

(a) Except as provided in subparagraph (b) below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Project, or (iii) a delay in the Project completion date, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor

and any subcontractor, will contain a provision to this effect or for compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in Subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

**3.05 HED Approval.** Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Unless waived by HED, Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

**3.06 Other Approvals.** Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

**3.07 Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04). Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "**City Requirements**"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall. At Project completion, upon the request of HED, Developer will provide 3 copies of an updated Survey to HED reflecting improvements made to the Property.

**3.08 Inspecting Agent or Architect.** An independent agent or architect, if any, (other than Developer's architect) selected by the lender providing Lender Financing, will also act as the inspecting agent or architect for HED for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect shall perform

periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project.

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Developer or the Project).

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

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

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

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 **Additional Project Features**

(a) **Reserved.**

(b) **LEED Construction.** All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built to a minimum Leadership in Energy and Environmental Design ("LEED"), Civ2 Standard (Commercial Interiors, Version 2) ("LEED-Civ2"). The Project was registered with the US Green Building Council ("USGBC") for the required certification on August 30, 2013. The Project shall be constructed in compliance with all guidelines and requirements as delineated by the USGBC mandated for the LEED-Civ2 standard. Upon completion of construction, Developer, at

Developer's cost, shall have all features of construction pertinent to LEED certification tested and certified as being compliant with the LEED-Civ2 standard. Developer will submit written evidence from the USGBC demonstrating compliance with the required LEED certification.

#### ARTICLE FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$4,696,602 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u> ) and Lender Financing, if any	<u>\$ 4,696,602</u>
<b>ESTIMATED TOTAL</b>	<b>\$ 4,696,602</b>

4.02 **Developer Funds.** Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. All Project costs will be front-funded by Developer.

#### 4.03 City Funds.

##### (a) Uses of City Funds.

(i) Any funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as "**City Funds**".

(ii) City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs and their respective eligibility as a Redevelopment Project Cost.

##### (b) Sources of City Funds.

(i) Subject to the terms, conditions and qualifications in this Agreement, the City, through its Department of Housing and Economic Development, agrees to provide reimbursement to Developer from Available Incremental Taxes for certain TIF-Funded Improvements, in cash in the total amount of the lesser of \$1,120,000 or 23.8% of the total Project Budget of \$4,696,602 in five level installments. The total payment of reimbursement under this Agreement will be reduced by \$0.50 for every \$1.00 in actual Project costs that are below the Project Budget referenced in Section 3.03 and Exhibit D-1.

(ii) The reimbursement program has five installment payments and is subject to Developer satisfying all of the conditions scheduled below:

(A) Certificate Requirements Developer has attained and the City has issued a certificate of completion (“Certificate”) for the Project. The City will issue the Certificate only upon Developer’s full compliance with all of the following benchmarks:

1. Completion of Project Completion of the Project as described in this Agreement.
2. Compliance with Building Permit Developer has obtained a certificate of occupancy for the Project, or has provided HED with evidence acceptable to HED in form and substance that Developer has complied with its building permit requirements for the Project.
3. Compliance with City Requirements Developer has obtained a compliance letter from the City’s Monitoring and Compliance Unit determining that Developer and the Project have complied with all City Requirements.
4. Employment Developer has employed not less than 25 FTE located at its Headquarters in the Headquarters Space.
5. Total Project Costs Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting total Project costs. Developer will engage a third party to certify total Project costs and such third party will provide HED with an affidavit.
6. TIF - Funded Improvements Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting the costs of TIF-Funded Improvements in an amount equal to or greater than the total amount of City Funds.

(iii) The City will pay the following amounts to Developer under the following schedule:

<b>Payment</b>	<b>Term</b>	<b>Amount*</b>
First Annual Payment	1 Year after Certificate	\$224,000
Second Annual Payment	2 Years after Certificate	\$224,000
Third Annual Payment	3 Years after Certificate	\$224,000
Fourth Annual Payment	4 Years after Certificate	\$224,000
Fifth/Final Annual Payment	5 Years after Certificate	\$224,000

\*The actual amount of assistance may vary depending on the final certified total Project costs and the cost of TIF Funded Improvements incurred.

(iv) Annual Payment Requirements The pre-conditions for annual payments to Developer are:

- (A) Prior issuance of the Certificate.
- (B) Developer has provided evidence in form and substance satisfactory to HED that Developer has met or exceeded the following FTE job requirements:

Date	HQ Jobs	Retained Wheatland Tube	Retained Atlas Tube	Total Jobs
1 <sup>st</sup> year	25-60	153	133	346
2 <sup>nd</sup> year	75	153	133	361
3 <sup>rd</sup> year	85	153	133	371
4 <sup>th</sup> year to 10 <sup>th</sup> year	100	153	133	386

- (C) Developer has received its LEED-Civ2 certification.
- (D) Developer has submitted a City Funds Requisition Form in the form of Exhibit N (the "Requisition Form").
- (E) Developer has submitted its Annual Compliance Report.
- (F) Letter of Credit When Developer submits its Requisition Form for Year 1, Developer will deliver or cause to be delivered an unconditional, irrevocable letter of credit for \$224,000 issued by a bank acceptable to HED, and in the form of Exhibit E (the "Letter of Credit") in favor of the City as security for Developer's performance obligations under this Agreement.
- (G) Letter of Credit Increases and Reductions
  - (1) Increases with Submission of Requisition Forms. The initial principal amount of the Letter of Credit will equal the amount of the first annual payment (\$224,000). Thereafter, for each year covered by a Requisition Form requesting payment, Developer shall deliver or cause to be delivered a replacement Letter of Credit "grossed-up" to the amount of all City Funds paid to date, plus the amount of City Funds covered by the current year's Requisition Form.

(2) Letter of Credit Maintenance Over Time Over time, the amount of the Letter of Credit will be maintained as follows:

Year	% of Funds Paid
Year 1	100% of City Funds Paid to Date
Year 2	100% of City Funds Paid to Date
Year 3	100% of City Funds Paid to Date
Year 4	100% of City Funds Paid to Date
Year 5	100% of City Funds Paid to Date
Year 6	100% of City Funds Paid to Date
Year 7	100% of City Funds Paid to Date
Year 8	100% of City Funds Paid to Date
Year 9	100% of City Funds Paid to Date
Year 10	100% of City Funds Paid to Date

(3) Reduction by Events. Developer shall provide evidence acceptable to the City that Developer has received its LEED-Civ2 certification within 1 year from the date of the Certificate. If Developer has not received its LEED-Civ2 certification within 1 year from the date of the Certificate, then the City shall have the right to recover \$224,000 of the total City Funds paid to Developer by drawing down on the Letter of Credit.

**4.04 Sale or Transfer of the Project by Developer.**

(a) At Any Time. Developer may sell or transfer title to the Project to an Affiliate at any time, so long as Developer retains all executory obligations under this Agreement, and such Affiliate/transferee becomes a co-obligor under this Agreement with a joint and several liability joinder to this Agreement.

(b) From the Closing Date to the Date of the Certificate. Developer may not sell or transfer any part of the Property or Project to any non-Affiliated party, without the City's consent, which will not be unreasonably withheld, provided, however that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City's then current economic disclosure forms to the City's satisfaction, (iii) be otherwise qualified to do business with the City and (iv) demonstrate to the City's satisfaction that such party has financial capability to meet its obligations under this Agreement.



(c) After the Date of the Certificate. After the date of the Certificate, Developer may sell or transfer any part of the Project to non-Affiliated third parties, provided, however, that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City's then current economic disclosure forms to the City's satisfaction, (iii) be otherwise qualified to do business with the City, and (iv) demonstrate to the City's satisfaction that such party has financial capability to meet its obligations under this Agreement.

(d) Sales of Assets or Equity. For purposes of this subsection, the phrase: "sale or transfer of any part of the Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Developer's assets or equity.

#### 4.05 Treatment of Prior Expenditures/Administration Fee.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**"). HED has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit H) as a Prior Expenditure as of the date of this Agreement. Exhibit H identifies the prior expenditures approved by HED as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

(b) TIF District Administration 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.

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

4.07 TIF Bonds. The Commissioner of HED may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of TIF Bonds may be used to pay City Funds due under this Agreement, and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided and conditioned in Section 8.05.

4.08 **Preconditions of Disbursement.** Unless otherwise waived by the City, prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its reasonable discretion. Delivery by Developer to HED of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

- (a) the representations and warranties contained in this Agreement are true and correct and Developer is in compliance with all covenants contained herein;
- (b) Developer has received no notice and has no knowledge of any lien or claim of lien either filed or threatened against the Headquarters Space except for the Permitted Liens;
- (c) no Event of Default or condition or event which, with the giving of notice or passage time or both, would constitute an Event of Default exists or has occurred.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including not limited to the deposit with the City of the Letter of Credit as set forth in Section 4.03(b) of this Agreement and the requirements set forth in the Bond Ordinance, if any; the TIF Bond Ordinance, if any; the Bonds, if any; the TIF Bonds, if any; the TIF Ordinances and this Agreement.

#### ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING

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

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 or HED will have agreed to approve them as a post-closing item, promptly upon receipt.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 **Financing.**

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to HED a copy of the construction escrow agreement, if any, entered into by Developer regarding Developer's Lender Financing, if any. Such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

5.05 **Lease and Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Headquarters Space, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking, if available), contiguity, location, access, and survey. On or prior to the Closing Date, Developer will provide to HED documentation related to the Headquarters Space and copies of all easements and encumbrances of record with respect to the property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's, Wheatland Tube's and Atlas Tube's name as follows:

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

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

5.07 **Surveys.** If requested by HED, not less than 5 Business Days prior to the Closing Date, Developer will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Developer, at its own expense, will have insured the Headquarters Space and the Project as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

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

5.10 **Evidence of Prior Expenditures.** Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 **Financial Statements.** Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements for its 2010 and 2011 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by Developer's auditors for HED's inspection and review at Headquarters.

5.12 **Additional Documentation.** Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, Developer has met with Workforce Solutions division of HED to review employment opportunities with Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to HED, and HED has approved, the Employment Plan for the Project ( the "**Employment Plan**"). The Employment Plan includes, without limitation, the Developer's estimated of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as HED has requested relating to the Project.

5.13 **Environmental Reports.** Not less than 30 days prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer or sub-landlord or master landlord with respect to the Headquarters Space, together with any notices addressed to Developer or provided by the sub-landlord or master landlord to Developer from any agency regarding environmental issues at the Headquarters Space. Prior to the Closing Date, Developer will provide the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 **Entity Documents; Economic Disclosure Statement.**

(a) **Entity Documents.** Developer will provide a copy of its current Certificate of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and from the Secretary of State of Illinois; current by-laws with all amendments; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

(b) **Economic Disclosure Statement.** Developer will provide the City an EDS, in the City's then current form, dated as of the Closing Date, which is incorporated by reference and Developer further will provide any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the undated EDS(s) to the City will constitute an event of default under this Agreement

5.15 **Litigation.** Developer has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving the Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or other taxes by such party to the State of Illinois or the City. In each case, the description shall specify 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 **Lease.** Complete copies of the Lease, and all other written agreements setting forth the parties' understandings related to the Developer's relocation to or occupancy of the Headquarters Space and any financial agreements between the parties in any way relating to the Property, the Headquarters Space or the Lease, certified by the Developer, shall have been delivered to the City

## ARTICLE SIX: AGREEMENTS WITH CONTRACTORS

### 6.01 Bid Requirement for General Contractor and Subcontractors.

(a) Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, (or any phase thereof) after the Closing Date, Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago. For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Because Developer may have entered into the Construction Contract and other related contracts prior to the date of this Agreement, HED may elect to ratify Developer's actions under this sub-section.

(b) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof, or such other period of time as HED shall request. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 Construction Contract. Unless otherwise waived by HED, prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any work in the public way, if any, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the payment and performance bond form attached as Exhibit L. The City will be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 **Other Provisions.** In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

## ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of construction in recordable form (the "**Certificate**") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate within 30 days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

### 7.02 **Effect of Issuance of Certificate; Continuing Obligations.**

(a) 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 Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.16 (Real Estate Provisions), and Section 8.18 (Occupancy, Operations and Land Use Covenants) as covenants that run with the land and the leasehold interest in the Headquarters Space are the only covenants in this Agreement intended to be binding upon any transferee of the Headquarters Space (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate (except with respect to Section 8.02). The other executory terms of this Agreement that remain after the issuance of a Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed under this Agreement, and draw down the Letter of Credit; provided, however that if the City is unable to draw down the Letter of Credit for any reason, in addition to other remedies provided by law, the City may seek reimbursement of the City Funds from Developer up to the applicable Letter of Credit amount.

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.03, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

7.04 **Notice of Expiration or Termination.** Upon the expiration of the Term of the Agreement or earlier termination of this Agreement, HED will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired or the Agreement has been terminated.

#### **ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.**

8.01 **General.** 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) Developer is a Delaware corporation, duly incorporated, validly existing, qualified to do business in Delaware and 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) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Certificate 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 Developer is now a party or by which Developer or any of its assets is now or may become bound;

(d) unless otherwise permitted or not prohibited under the terms of this Agreement, Developer will maintain good, indefeasible and merchantable leasehold title to the Headquarters Space, (and all improvements and thereon) free and clear of all liens except for the Permitted



Liens scheduled in the Title Report and incorporated in Exhibit I, or Lender Financing, if any, as disclosed in the Project Budget;

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

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

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

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

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

(j) during the Term of this Agreement, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Headquarters Space or the Project (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 with respect to the Headquarters Space or the Project outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

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

(l) Developer 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 under 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 Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(m) neither the Developer nor any Affiliate thereof 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 Lists, the Unverified List, the Entity List and the Debarred List.

**8.02 Covenant to Redevelop.** Upon HED's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Headquarters Space in compliance with this Agreement and all exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Headquarters Space, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Headquarters Space, until fulfilled as evidenced by the issuance of a Certificate.

**8.03 Redevelopment Plan.** Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

**8.04 Use of City Funds.** City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

**8.05 Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any 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 provided a source of funds for the payment for the TIF-Funded Improvements (the "**Bonds**"); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

**8.06 Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer's Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.08 (Prevailing Wage), 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer's MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to HED which will outline, to HED's satisfaction, the manner in which Developer will correct any shortfall.

**8.07 Employment Profile.** Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED's request.

**8.08 Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the "**Labor Department**"), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

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

**8.10 Financial Statements and Review.** After the Closing Date, on an annual basis during the Term of the Agreement, Developer will permit HED to inspect and review Developer's Financial Statements at the Headquarters at a mutually convenient time. At the time of such inspection and review, Developer will provide a solvency letter addressed to HED and signed by Developer's Chief Financial Officer.

8.11 **Insurance.** Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 **Non-Governmental Charges.**

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Headquarters Space (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Headquarters 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 Charges and all interest and penalties upon the adverse determination of such contest.

8.13 **Developer's Liabilities.** Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 Compliance with Laws.

(a) Representation. To Developer's knowledge, after diligent inquiry, the Headquarters Space and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Headquarters Space and the Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Headquarters Space and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Headquarters Space or the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.15 Recording and Filing. Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Headquarters Space. Such recordings shall be recorded prior to any mortgage made in connection with Lender Financing, if any. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.16 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Headquarters Space or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Headquarters Space or the Project. "Governmental Charge" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer, the Headquarters Space or the Project, including but not limited to real estate taxes.

(ii) Right to Contest. 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 transfer or forfeiture of the Headquarters Space. Developer's right to challenge real estate taxes applicable to the Headquarters Space is limited as provided for in Section 8.16(c) below; provided, that such real estate taxes must be paid in full when due. No such contest or objection will be deemed or construed

in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to HED of Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option:

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

(y) Developer will furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Headquarters 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 Developer fails to pay or contest any Governmental Charge or to obtain discharge of the same, Developer will advise HED thereof in writing, at which time HED may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to HED by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Headquarters Space (and related improvements) or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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.

(A) Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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 Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space or the Project.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space, filed by Developer or the Developer's predecessor in interest for any tax year prior to or including the tax year in which this Agreement is executed.

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "**Under Assessment Complaint**" as used in this Agreement means any complaint seeking to increase the assessed value of the Wheatland Tube property, the Atlas Tube property or the Headquarters Space (and related improvements) or the Project.

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land. This Agreement will be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Wheatland Tube facility, the Atlas Tube facility or the Headquarters Space or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.16(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.16(c).

**8.17 Job Recruitment, Training and Hiring Plan**. Developer agrees to work with the Workforce Solutions Unit of HED to create and implement a mutually acceptable plan for the recruitment, training and hiring of City of Chicago residents. Such plan will have as one of its goals, an objective to maximize the number of local residents from the LaSalle Central and adjacent communities participating in the plan. Developer will develop job criteria and qualifications for plan use and will consult with the Workforce Solutions Unit as necessary in this process. The Workforce Solutions Unit will refer qualified candidates to Developer consistent with Developer's operations timing objectives contained in the plan, and Developer will interview such qualified candidates. Developer will not be required to hire any specified number of candidates.

**8.18 Occupancy, Operations and Land Use Covenants.**

(a) Occupancy and Operations Covenant. Developer covenants that it will occupy the Headquarters Space and Project and operate its corporate headquarters on the Property for the Term of the Agreement, subject to the provisions of Section 18.17 (Force Majeure); provided, however, that temporary closures for reconstructions, expansion, alterations or remodeling are permitted exceptions to this covenant.

(b) Land Use Compliance. Developer covenants that its use of the Property and the Project will be in compliance with the Redevelopment Plan, and applicable zoning laws.

(c) Run With The Land. The covenants stated in this Section 8.18 run with the land and the leasehold interest in the Headquarters Space, and are intended to be binding on any transferee of the Headquarters Space or the Project.

**8.19 Job Requirements**

(a) At Locations. Developer covenants to meet or exceed the following FTE job requirements at the following locations during the Term of the Agreement:

Date	HQ Jobs	Retained Wheatland Tube	Retained Atlas Tube	Total Jobs
1 <sup>st</sup> year	25-60	153	133	346
2 <sup>nd</sup> year	75	153	133	361
3 <sup>rd</sup> year	85	153	133	371
4 <sup>th</sup> year to 10 <sup>th</sup> year	100	153	133	386

(b) Non-Compliance

(i) In any year of the 10 year term, if Developer's job count falls below the requirement stated in subsection (a) above, then:

(x) the City may withhold payments to Developer for any year. Upon compliance, regular payments will resume and withheld payments will be promptly paid to Developer;

(y) the year that Developer was out of compliance will not count toward the 10 year stated term, but will be added to the stated term and thereby automatically extending the Term of the Agreement.



(ii) During the 10 year term, Developer is entitled to two (2) non-consecutive years of non-compliance. At the third year of non-compliance, the City will be under no further obligation to pay City Funds to Developer.

(c) Default by Landlord under the Lease. A default by the Sub-Landlord or Master Landlord under the Lease shall not: (a) relieve Developer from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

8.20 Annual Compliance Report. Beginning with the issuance of the COC and continuing throughout the Term of the Agreement, the Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Reserved.

8.22 Broker's Fees. Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.23 No Conflict of Interest. Under Section 5/11-74.4-4(n) of the Act, 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, (a "City Group Member") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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 Developer, the Property, the Headquarters Space, the Project, or to the Developer's actual knowledge, any other property in the Redevelopment Area.

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

8.25 No Business Relationship with City Elected Officials. Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the

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

8.26 **Inspector General.** It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.27 **Prohibition on Certain Contributions - Mayoral Executive Order No. 2011-4.** Neither Developer or any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5% ("**Owners**"), spouses and domestic partners of such Owners, Developer's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee during: (i) the bid or other solicitation process for this Agreement or Other Agreement, including while this Agreement or Other Agreement is executory, (ii) the term of this Agreement or any Other Agreement between City and Developer, and/or (iii) any period in which an extension of this Agreement or Other Agreement with the City is being sought or negotiated.

Developer represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Agreement for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Agreement, at law and in equity. This provision amends any Other Agreement and supersedes any inconsistent provision contained therein.

If applicable, if Developer violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, then HED may reject Developer's bid.

For purposes of this provision:

**"Other Agreement"** means any agreement entered into between the Developer and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

**"Contribution"** means a **"political contribution"** as defined in MCC Ch. 2-156, as amended.

**"Political fundraising committee"** means a **"political fundraising committee"** as defined in MCC Ch. 2-156, as amended.

#### 8.28 Shakman Accord.

(a) The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "**Shakman Accord**") and the June 24, 2011 "City of Chicago Hiring Plan" (the "**City Hiring Plan**") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(b) Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with Developer, either as an employee or as a subcontractor, and from directing Developer to hire an individual as an employee or as a subcontractor. Accordingly, Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Developer under this Agreement are employees or subcontractors of Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Developer.

(c) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to Developer by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("**IGO Hiring Oversight**"), and also to the Commissioner of HED. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to this Agreement.

**8.29 Material Amendment To Lease/Lease Transfer.** During the Term of the Agreement, Developer shall not: (a) execute or consent to a Material Amendment or (b) sell, sublease, release, assign or otherwise transfer its interest in any Lease without the prior written consent of HED, which consent shall be in HED's sole discretion.

**8.30 Wheatland Tube Facility - Use of MBE Contractors.** Developer will to the best of its ability, utilize City Certified MBE Contractors or subcontractors to perform construction work at its Wheatland Tube facility up to a value of approximately \$110,000 over the period of 5 years from the Closing Date.

**8.31 Survival of Covenants.** All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate) will be in effect throughout the Term of the Agreement.

## **ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS 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 Article Nine 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.

## ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

(c) Each Employer will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, after the Closing Date, and will require inclusion of these provisions in every subcontract entered into by any subcontractors, after the Closing Date, and every agreement with any Affiliate operating on the Property or at the Project, after the Closing Date, so that each such provision will 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 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

#### **10.02 City Resident Construction Worker Employment Requirement.**

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will 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 will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) 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.

(c) "**Actual residents of the City**" means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

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

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of HED in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

(h) Good faith efforts on the part of 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) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City 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 Article. 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by 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 will 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to 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 Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project, entered into after the Closing Date.

10.03 **Developer's MBE/WBE Commitment.** Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of 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 stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("**MBEs**") and by Women-Owned Businesses ("**WBEs**"):

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

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) is deemed a "**contractor**" and this Agreement (and any contract let by Developer in connection with the Project) is 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.

(ii) The term "**minority-owned business**" or "**MBE**" 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.

(iii) The term "**women-owned business**" or "**WBE**" 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.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by 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 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 compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) Developer must 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 will include, inter alia: the name and business address of each MBE and WBE solicited by 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. Developer will maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least 5 years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 Business Days' notice, to allow the City to review 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, Developer is 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 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, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors are required to attend this pre-construction meeting. During said meeting, Developer will demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which will be approved by the City's monitoring staff. During the Project, 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 Developer is not complying with its obligations under this Section 10.03, will, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

## ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

Without limiting any other provisions hereof, 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 Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Developer agrees to indemnify, pay 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 (arising out of a third party action against the City), 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 Indemnitees shall be designated a

party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (iii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or
- (iv) 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 Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or any affiliate of Developer; or
- (v) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (vi) any act or omission by Developer or any Affiliate of Developer;

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 will contribute the maximum portion that it is permitted to pay and satisfy under 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 will survive the termination of this Agreement.

#### **ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT**

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project. The City shall provide three (3) Business Days' prior written notice to the

Developer in accordance with Section 17.01. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights**. Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Headquarters Space during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to the Developer in accordance with Section 17.01. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

#### ARTICLE FIFTEEN: 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, will constitute an "Event of Default" by Developer hereunder:

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

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

(c) the making or furnishing by 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 by Developer to create, any lien or other encumbrance upon the Headquarters Space or the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens or any Permitted Mortgage, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against Developer or Developer's ultimate parent entity, if any, or for the liquidation or reorganization of Developer or Developer's ultimate parent entity, if any, or alleging that Developer or Developer's ultimate parent entity, if any, is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's or Developer's ultimate parent entity's, if any, debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer or Developer's ultimate parent entity, if any; provided, however, that if such commencement of proceedings is involuntary, such action will

not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Developer's ultimate parent entity, if any; or

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of all of the ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to the Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j), a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's or Developer's ultimate parent entity issued, if any, and outstanding ownership shares or interests.

**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. To the extent permitted by law, the City may also lien the Property.

### 15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 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 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Headquarters Space or Project or any portion thereof are listed on Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "**Existing Mortgages.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Headquarters Space or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Headquarters Space or Project 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 Developer as follows:

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

(b) If any mortgagee or any other party shall succeed to Developer's interest in the Headquarters Space or any portion thereof by 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 Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as

the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will 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 Developer of a Certificate under Article Seven hereof, no New Mortgage will be executed with respect to the Headquarters Space or the Project or any portion thereof without the prior written consent of the Commissioner of HED. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of HED is not required for any such New Mortgage.

#### ARTICLE SEVENTEEN: NOTICES

17.01 Notices. All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (c) be given at the following respective addresses:

If to the City:	City of Chicago Department of Housing and Economic Development Attn: Commissioner 121 North LaSalle Street, Room 1000 Chicago, IL 60602 312/744-4190 (Main No.) 312/744-2271 (Fax)
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With Copies To:	City of Chicago Corporation Counsel Attn: Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 312/744-0200 (Main No.) 312/742-0277 (Fax)
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If to Developer:	JMC Steel Group, Inc. Attention: General Counsel 227 West Monroe Street 26 <sup>th</sup> Floor Chicago, IL 60606 Telephone: 312/275-1605 Fax: 312/275-1596
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or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Requests for City or HED Approval.** Any request under this Agreement for City or HED approval submitted by Developer will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or HED approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or HED;
- (d) if applicable, state the outside date for the City's or HED's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

## ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. 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 90 days.



18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

18.04 **Further Assurances.** 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, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will 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 will 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, will constitute a waiver of any of 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 must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

18.11 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.13 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

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

18.15 **Assignment.** Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.29 (Survival of Covenants) hereof, for the Term of the

Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 **Force Majeure.** Neither the City nor Developer nor any successor in interest to either of them will 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, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays or stock or commodity exchange closures or wire transfer interruptions, capital controls, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, fuel shortages or rationing, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay can not reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, 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 and Schedules.** All of the exhibits and schedules to this Agreement are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, 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 Developer has locations in the State. Failure by 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 **Approval.** Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.21 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.22 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State Law, the date for such performance will be the next succeeding Business Day.

18.23 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the Closing Date.

18.24 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

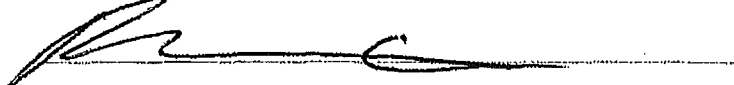
18.25 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.26 **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 attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

[The remainder of this page is intentionally left blank and the signature page follows]

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

**JMC STEEL GROUP, INC.**, a Delaware corporation

By: 

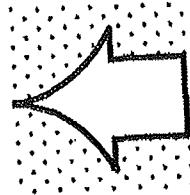
Printed Name: Mickey McNamara

Title: EVP & GC

**CITY OF CHICAGO**

By: 

Commissioner  
Department of Housing and Economic Development



**SIGN  
HERE**

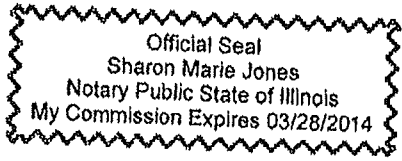
STATE OF Illinois )  
 ) SS  
COUNTY OF COOK )

I, Sharon Marie Jones, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Mickey  
McNamara, personally known to me to be the SUP  
GC of JMC Steel Group, Inc., a Delaware corporation, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 12<sup>th</sup> day of November, 2013.

Sharon Marie Jones  
Notary Public

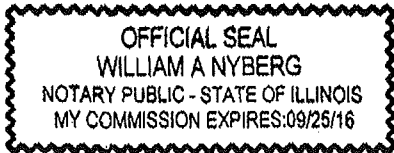
My Commission Expires 03/28/2014  
(SEAL)



STATE OF ILLINOIS)  
) SS  
COUNTY OF COOK)

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

GIVEN under my hand and official seal this 15<sup>th</sup> day of November, 2013.



William A. Nyberg  
Notary Public

My Commission Expires 09/25/16

(Seal)

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT**

Redevelopment Agreement  
dated as of November 15, 2013

**SCHEDULE A**

**DEFINITIONS**

For purposes of this Agreement the following terms shall have the meanings stated forth below:

“2005 RDA” has the meaning defined in Article Two-A.

“Act” has the meaning defined in Recital B.

“Actual Residents of the City” has the meaning defined for such phrase in Section 10.02(c).

“Affiliate(s)” 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 person 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.

“Agreement” has the meaning defined in the Agreement preamble.

“Annual Compliance Report” shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement during the preceding calendar year; (b) certifying Developer’s compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance; and (d) certifying that Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Occupancy, Operations and Land Use Covenants (Section 8.18); (2) compliance with the Jobs Covenant (Section 8.19); (3) delivery of updated insurance certificates, if applicable (Section 8.11); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.12); (5) delivery of a substitute Letter of Credit,



if applicable (Section 4.03(b) (iv) (G)); (6) delivery of evidence of LEED Certification has been obtained (Section 3.14(b)) and (7) compliance with all other executory provisions of the RDA.

**"Atlas Tube"** has the meaning defined in Recital D.

**"Available Incremental Taxes"** shall mean for each payment, an amount equal to the Incremental Taxes on deposit in the LaSalle Central Redevelopment Project Area TIF-Fund as of December 31<sup>st</sup> of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the payment of TIF-Funded Improvements, after deducting: (i) the TIF District Administration Fee; (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, and (iii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged to NAVTEQ Corporation, The Ziegler Companies, Inc., MillerCoors LLC, UAL Corporation, United Air Lines, Inc., Lyric Opera of Chicago, Chicago Mercantile Exchange, Inc., Randolph Tower City Apartments, Inc., Accretive Health, Inc. and/or any of their respective Affiliates, and (iv) debt service payments with respect to the Bonds, if any or the TIF Bonds, if any.

**"Bonds"** has the meaning defined in Section 8.05.

**"Bond Ordinance"** means the City Ordinance authorizing the issuance of Bonds.

**"Building"** has the meaning defined in Recital D.

**"Business Day"** means any day other than Saturday, Sunday or a legal holiday in the State.

**"Certificate"** (and also from time to time referred to as the "**COC**") has the meaning defined in Section 7.01 and cross-referenced in Section 4.03(b)(ii)(A).

**"Change Order"** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

**"City"** has the meaning defined in the Agreement preamble.

**"City Contract"** has the meaning defined in Section 8.01(l).

**"City Council"** means the City Council of the City of Chicago as defined in Recital C.

**"City Funds"** means the funds described in Section 4.03(a).

**"City Group Member"** has the meaning defined in Section 8.22.

**"City Hiring Plan"** has the meaning defined in Section 8.28.

**"City Requirements"** has the meaning defined in Section 3.07.

**"Closing Date"** means 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.

**"Commissioner"** or **"Commissioner of HED"** means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City's Department of Housing and Economic Development and any successor City Department.

**"Construction Contract"** means that certain contract substantially in the form of Exhibit G, to be entered into between the Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

**"Construction Program"** has the meaning defined in Section 10.03(a).

**"Contribution"** has the meaning defined in Section 8.27.

**"Corporation Counsel"** means the City's Department of Law.

**"Developer"** has the meaning defined in the Agreement preamble.

**"EDS"** means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

**"Employer(s)"** has the meaning defined in Section 10.01.

**"Employment Plan"** has the meaning defined in Section 5.12.

**"Environmental Laws"** means 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 (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

**"Equity"** means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

**"Event of Default"** has the meaning defined in Section 15.01.

**"Existing Mortgages"** has the meaning defined in Section 16.01.

**"Financial Statements"** means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer's auditor.

**"Full Time Equivalent Employee" or "FTE"** shall mean an employee of Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Headquarters, Atlas Tube or Wheatland Tube, as applicable, (but no double counting), excluding: (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer, an Affiliate, or by third parties in positions ancillary to Developer's operations including, without limitation, food service workers, security guards, cleaning personnel, or similar positions at the Headquarters, Atlas Tube or Wheatland Tube, as applicable.

**"General Contractor"** means the general contractor(s) hired by Developer under Section 6.01.

**"Governmental Charge"** has the meaning defined in Section 8.16(a)(i).

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

**"Headquarters"** has the meaning defined in Recital D.

**"Headquarters Space"** has the meaning defined in Recital D.

**"HED"** has the meaning defined in the Agreement preamble.

**"Human Rights Ordinance"** has the meaning defined in Section 10.01(a).

**"Identified Parties"** has the meaning defined in Section 8.27.

**"IGO Hiring Oversight"** has the meaning defined in Section 8.28.

**"Incremental Taxes"** means 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 for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the LaSalle Central Redevelopment Project Area Special Tax Allocation Fund.

**"Incremental Taxes from a New Project"** means: (a) individually, Incremental Taxes generated by the equalized assessed value ("**EAV**") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes from a New Project for all New Projects, if there are multiple New Projects.

**"Indemnitee"** and **"Indemnitees"** have the respective meanings defined in Section 13.01.

**"Labor Department"** has the meaning defined in Section 8.08.

**"LaSalle Central Redevelopment Project Area Special Tax Allocation Fund"** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be deposited.

**"Lease"** has the meaning defined in Recital D. The Lease will be for not less than 29,080 square feet of office space on the 26<sup>th</sup> Floor of the Building, and will be by and among Developer, Citicorp North America, Incorporated, as Sub-Landlord and Tishman Speyer as Master Landlord.

**"LEED"** has the meaning defined in Section 3.14(b).

**"LEED-Civ2"** has the meaning defined in Section 3.14(b).

**"Lender Financing"** means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

**"Letter of Credit"** has the meaning defined in Section 4.03(b)(iv)(F).

**"Material Amendment"** shall mean an amendment of any Lease the net effect of which is to directly or indirectly do any of the following with respect to the Lease: (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 such Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under such Lease of the amendment; (b) shorten the initial term of such Lease or grant additional early termination rights

that, if exercised, would shorten the initial term of such Lease; or (c) [additional provisions may follow based on review of signed Lease].

**"Master Landlord"** has the meaning defined in Recital D.

**"Mayor"** has the meaning defined in Section 8.27.

**"MBE(s)"** has the meaning defined in Section 10.03(b).

**"MBE/WBE Program"** has the meaning defined in Section 10.03(a).

**"Minimum Assessed Value"** has the meaning defined in Section 8.16(c)(i).

**"Minority-Owned Business"** has the meaning defined in Section 10.03(b).

**"Municipal Code"** means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

**"New Mortgage"** has the meaning defined in Section 16.01.

**"New Project"** means a development project: (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that "New Project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

**"Other Agreement"** has the meaning defined in Section 8.27.

**"Owners"** has the meaning defined in Section 8.27.

**"Permitted Liens"** means those liens and encumbrances against the Property and/or the Project stated in Exhibit H.

**"Permitted Mortgage"** has the meaning defined in Section 16.01.

**"Plan Adoption Ordinance"** has the meaning defined in Recital C.

**"Plans and Specifications"** means 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.

**"Political fundraising committee"** has the meaning defined in Section 8.27.

**"Prior Expenditure(s)"** has the meaning defined in Section 4.05.

**"Procurement Program"** has the meaning defined in Section 10.03(a).

**"Project"** has the meaning defined in Recital D.

**"Project Budget"** means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

**"Property"** has the meaning defined in Recital D.

**"Redevelopment Area"** means the redevelopment project area as legally described in Exhibit A.

**"Redevelopment Plan"** has the meaning defined in Recital E.

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

**"Requisition Form"** has the meaning defined in Section 4.03(b)(iv)(D).

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

**"Shakman Accord"** has the meaning defined in Section 8.28.

**"State"** means the State of Illinois as defined in Recital A.

**"Sub-Landlord"** has the meaning defined in Recital D.

**"Sub-owners"** has the meaning defined in Section 8.27.

**"Survey"** means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property meeting the 2013 minimum standard detail requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2013, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

**"Term of the Agreement"** means the period of time commencing on the date of the Certificate and ending 10 years thereafter, unless extended as provided in Section 8.19(b).

**"TIF Adoption Ordinance"** has the meaning stated in Recital C.

**"TIF Bonds"** has the meaning defined for such term in Recital F.

**"TIF Bond Ordinance"** has the meaning stated in Recital F.

**"TIF Bond Proceeds"** has the meaning stated in Recital F.

**"TIF District Administration Fee"** has the meaning described in Section 4.05(b).

**"TIF Ordinances"** has the meaning stated in Recital C.

**"TIF-Funded Improvements"** means 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, and (iv) are stated in Exhibit E.

**"Title Company"** means Chicago Title Insurance Company or such other title insurance company selected by the Developer.

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

**"Under Assessment Complaint"** has the meaning set forth in Section 8.16(c)(iv).

**"USGBC"** has the meaning defined in Section 3.14(b).

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

**"WBE(s)"** has the meaning defined in Section 10.03(b).

**"Wheatland Tube"** has the meaning defined in Recital D.

**"Women-Owned Business"** has the meaning defined in Section 10.03(b).

LaSalle Central  
REDEVELOPMENT PROJECT AREA

JMC STEEL GROUP, INC  
HEADQUARTERS PROJECT

Redevelopment Agreement  
dated as of November 15, 2013

SCHEDULE B

ARTICLE TWELVE: INSURANCE REQUIREMENTS

12.01 **Insurance.** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement in statutorily prescribed limits 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 must 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 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.** Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, sub-contractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(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 in statutorily prescribed limits 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 must include the following: All premises and operations, products/completed operations (for a minimum of 2 years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City 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, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance 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 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

- (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 Project. The City is to be named as an additional insured.
- (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 Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 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. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. 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 Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance will not relieve 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.
- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.

- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will 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.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT A**

**REDEVELOPMENT AREA LEGAL DESCRIPTION**

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.

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.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT B-1**

**LEGAL DESCRIPTION OF THE BUILDING/PROPERTY**

A legal description of the Building / Property is attached to this exhibit cover sheet.

EXHIBIT A

Legal Description of the Land

The "Land" consists of the following:

1. The parcel of land commonly known as 227 West Monroe Street, Chicago, Illinois, legally described as follows -

PARCEL 1:

LOT 1 (EXCEPT THE WEST 40 FEET THEREOF TAKEN OR USED FOR FRANKLIN STREET) AND ALL OF LOTS 2 AND 3 IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AFORESAID AS CREATED BY INSTRUMENT DATED JUNE 20, 1984 MADE BY CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 7, 1973 AND KNOWN AS TRUST NUMBER 63493, RECORDED ON JUNE 21, 1984 AS DOCUMENT 27140707 AND RE-RECORDED JUNE 14, 1985 AS DOCUMENT 85060359 FOR INGRESS AND EGRESS OVER, ACROSS AND UPON THE FOLLOWING DESCRIBED PROPERTY:

THE SOUTH 22 FEET 10 INCHES OF LOT 9 IN BOLLES SUBDIVISION OF LOT 4 IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

AND

THE SOUTH 22 FEET 10 INCHES OF THAT PART OF ORIGINAL LOT 4 LYING WEST OF THE WEST LINE OF THE SUBDIVISION OF ORIGINAL LOT 4 AND EAST OF THE EAST LINE OF ORIGINAL LOT 3 (SAID EAST LINE OF LOT 3 BEING ALSO THE EAST LINE OF THE 10 FOOT PRIVATE ALLEY) IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

and also

2. The parcel of land commonly known as 222 West Adams Street, Chicago, Illinois, legally described as follows -

PARCEL 3:

THAT PART OF FIELD AND PERKIN'S SUBDIVISION OF LOTS 5, 6, AND 7 AND THAT PART OF LOT 8 LYING EAST OF THE EAST LINE OF FRANKLIN STREET IN BLOCK 93 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHWEST CORNER OF LOT 1 OF FIELD AND PERKIN'S SUBDIVISION AFORESAID; THENCE NORTH ALONG THE WEST LINE OF LOT 1 AFORESAID A DISTANCE OF 199.64 FEET TO THE NORTHWEST CORNER OF LOT 1 AFORESAID; THENCE EAST ALONG THE NORTH LINE OF FIELD AND PERKIN'S SUBDIVISION AFORESAID AND THAT PART OF THE VACATED EAST AND WEST 20 FOOT PUBLIC ALLEY AS DESCRIBED IN DOCUMENT NUMBER 86067142 A DISTANCE OF 196.76 FEET TO THE POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 2 IN FIELD AND PERKIN'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE EAST LINE OF LOT 2 AND ITS NORTHERLY EXTENSION AFORESAID A DISTANCE OF 199.39 FEET TO THE SOUTHEAST CORNER OF LOT 2 AFORESAID; THENCE WEST ALONG THE SOUTH LINE OF FIELD AND PERKIN'S SUBDIVISION AFORESAID, BEING ALSO THE NORTH LINE OF WEST ADAMS STREET, A DISTANCE OF 196.805 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT B-2**

**LEGAL DESCRIPTION OF THE WHEATLAND TUBE FACILITY**

A legal description of the Wheatland Tube facility is attached to this exhibit cover sheet.

**EXHIBIT A**

**DESCRIPTION OF THE OWNED LAND**

*(See Attached Page(s) For Legal Description)*

COMMON STREET ADDRESS:

4435 South Western Avenue, Chicago, IL

TAX PROPERTY INDEX NUMBERS (PINs):

20-06-300-013-0000  
20-06-300-016-0000  
20-06-302-017-0000  
20-06-302-019-0000  
20-06-302-021-0000  
20-06-501-005-0000  
20-06-302-013-0000  
20-06-302-026-0000  
20-06-302-018-0000  
20-06-302-020-0000  
20-06-300-030-0000  
20-06-300-020-0000  
20-06-300-031-0000  
20-06-300-009-0000  
20-06-302-014-0000  
20-06-300-008-0000  
20-06-300-015-0000

## LEGAL DESCRIPTION

## PARCEL 1:

That part of the SW ¼ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, Cook County, Illinois, being particularly described as:

Beginning at the Southeast corner of Lot 4 in the Subdivision of the South 5 Acres of said SW ¼ of said Section 6, thence North along the East line of aforesaid Lot 4, on a course of N.00°00'00"E, 131.42 ft, to the Northeast corner of Lot 4; thence S.89°29'23"E, 7.84 ft. to a point being 150 West of the East line of the SW ¼ of said Section 6; thence N.00°18'54"E., along a line 150 West of and parallel to the East line of the SW ¼ of said Section 6, 887.59 feet to a point of tangency; thence Northwesterly along a circular curve concave to the West having a radius of 258.50 ft., a central angle of 15°14'50", and an arc length of 68.79 ft. to a point of non-tangency; thence N00°03'30"E., 661.83 ft. to a set iron pipe; thence S.89°38'12"E., 15.00 feet to a set iron pipe on a line 150 feet West of the East line of the SW ¼ of the SW ¼ of said Section 6; thence N.00°12'46"E, along the West line of the East 150 feet of the East ½ of the Northwest ¼ of the Southwest ¼ of Section 6 to a point 180 feet South of the North line of the West ½ of the Southwest ¼ of the Southwest ¼ of said Section 6, thence N.13°15'26"W, 185.51 feet to the North line of the West ½ of the Southwest ¼ of the Southwest ¼ of said Section 6, thence East 92.31 feet to the Westerly right of way line of spin rail; thence Southerly along a circular curve, being the Westerly line of an existing spur rail, concaved Southwesterly having a radius 2742 ft. a central angle of 11°14'25", and an arc length of 537.92 ft. to a point of common tangency; thence continuing Southerly along a circular curve concave Southwest having a radius 4499.05 ft., a central angle of 02°32'36" and an arc length of 199.71 ft. to a point of tangency being 30.8 ft. West of and parallel to the West line of the East ½ of the Southwest ¼ of said Section 6; thence continuing South along a line 30.8 ft. west of and parallel to the aforesaid described line to a point 640 North of the North right of way line (33 ft.) of 47<sup>th</sup> Street; thence South to a point on the North right of way line (33 ft.) of 47<sup>th</sup> Street, 30.73 ft. west of the west line of the East ½ of the Southwest ¼ of said Section 6; thence S89°57'12"E, along the North right of way line of 47<sup>th</sup> Street, 30.73 feet to the West line of the East ½ of the Southwest ¼ of said Section 6; thence S00°17'55"E, along the West line of the East ½ of the Southwest ¼ of said Section 6, 33 feet to the South line of the West ½ of the Southwest ¼ of said Section 6; thence N89°54'12"W, along the South line of the West ½ of the Southwest ¼ of said Section 6, 158 feet, thence N00°06'00"E, 33 ft. to the point of beginning.

EXCEPTING THEREFROM that part of the NW ¼ of the SW ¼ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, Cook County, Illinois, being particularly described as: conveyed to the City of Chicago by deed recorded May 21, 1992, as Document number 92255238 and described as follows: (CR-505A-2) that part of the right of way of the Consolidated Rail Corporation in the West ½ of the Southwest ¼ of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows: Commencing at the intersection of the Easterly right of way line of the aforesaid Rail Corporation (which is also the Westerly line of the tract of land conveyed by the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company to the Chicago and Northern Pacific Railroad Company by Quit Claim Deed dated April 16, 1892, and recorded September 12, 1892, as document number 1731751) and the South line of West 43<sup>rd</sup> Street extended East; thence West along said South line 85.16 feet to a point of beginning; thence South along a straight line drawn perpendicular to the last described line 52.28 feet; thence West of 20 feet; thence North along a straight line drawn perpendicular to the last

described line 59.28 feet to a point on the South line of aforesaid West 43<sup>rd</sup> Street; thence East along said South line 20 feet to the point.

**PARCEL 2:**

An irregular shaped parcel of land in the Southwest Quarter of the Southwest Quarter of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian, including within the limits of said parcel of land, parts of Lots 24 and 27, all of lots 25 and 26 and the 8 foot wide alley lying North of and adjoining said lots in the Subdivision of that part of the South 5 acres of the Southwest Quarter of the Southwest Quarter of said Section 6 lying West of the railroad, North of 47<sup>th</sup> Street and East of the boulevard as recorded December 5, 1891, under document number 1579357, bounded and described as follows: Beginning at a point on the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 which is 33 feet North of the South line of said Section 6 and in the North line of West 47<sup>th</sup> Street; thence West along the North line of West 47<sup>th</sup> Street, a distance of 90.00 feet, thence North on a line 90.00 feet West of a parallel with the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, a distance of 587.59 feet to a point which is 81.69 feet South of the South line of the North 293.45 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, thence Northeasterly a distance of 84.27 feet to a point in the South line of the North 293.45 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 which is 68.75 feet West of the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, thence Northeasterly a distance of 145.73 feet to point in a line 32.00 feet West of and parallel with the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 and 152.19 feet South of the North line of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6; thence Northeasterly and making an angle of 165° 25 minutes 08 seconds (as measured from South to East to Northeast) with the aforesaid parallel line, a distance of 66.00 feet; thence Northeasterly a distance of 56.29 feet to a point in the South line of the North 33.00 feet of the South Three-Quarter of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6; thence East along said South line a distance of 4.00 feet to a point in the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6 (said point being in a line 364.87 feet South of and parallel with the North line of the Southwest Quarter of the Southwest Quarter of said Section 6), thence East along said parallel line a distance of 15.00 feet; thence Southwesterly a distance of 101.01 feet to a point on the East line of the West Half of the Southwest Quarter of the Southwest Quarter of Section 6 (said point being 464.87 feet South of the North line of the Southwest Quarter of the Southwest Quarter of said Section 6), thence South along the East line of the West Half of the Southwest Quarter of the Southwest Quarter of said Section 6, a distance of 829.67 feet to the point of beginning, all in Cook County, Illinois.

**PARCEL 3:**

Part of the Southwest Quarter of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, beginning at a point on the West line of the East Half of said Southwest Quarter of Southwest Quarter of Section 6 aforesaid which is 33 feet North of the South line of said Section 6, and in the North line of West 47<sup>th</sup> Street; thence North on said West line 829.50 feet to a point which is 464.87 feet South of the North line of the Southwest Quarter of the Southwest Quarter of Section; thence Northeasterly to a point in a line parallel with and 15 feet East



of the West line and 364.87 feet South of the North line of the East Half of said Southwest Quarter of the Southwest Quarter Section; thence North on said parallel line 107.37 feet to a point of curve said point being 257.5 feet South of the North line of said Southwest Quarter of the Southwest Quarter Section; thence along a semi circle convex to the North with a radius of 242.5 feet a distance of 761.83 feet to a point which 257.5 feet South of the North line of said Southwest Quarter of the Southwest Quarter Section; thence East 14.42 feet to a point which is 257.5 feet South of North line and 150 feet West of the East line of said Southwest Quarter of the Southwest Quarter Section; thence South distance of 905.61 feet more or less on a line parallel with said East line to the North line of the South 5 acres of the Southwest Quarter of the Southwest Quarter of Section ;thence West 8 feet to the East line of Lot 5 in Subdivision of South 5 Acres of said Southwest Quarter of the Southwest Quarter Section; thence South on the East line of said Lot 5, 131 feet to the North line of West 47<sup>th</sup> Street, being 33 feet North of the South line of said Southwest Quarter; thence West along the North line of West 47<sup>th</sup> Street 506.07 feet more or less to the point of beginning, in Cook County, Illinois.

**PARCEL 4:**

Those parts of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at a point on the West line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of the last aforementioned East  $\frac{1}{2}$  a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East  $\frac{1}{2}$  a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East  $\frac{1}{2}$ ; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of the last aforementioned East  $\frac{1}{2}$  and 262 feet West of the East line of said aforementioned East  $\frac{1}{2}$ ; thence South parallel with said East line of said last aforementioned East  $\frac{1}{2}$  a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of said last aforementioned East  $\frac{1}{2}$  and 174.85 feet West of said East line of said last aforementioned East  $\frac{1}{2}$ ; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East  $\frac{1}{2}$  which point is 65.35 feet North of said South line of said last aforementioned East  $\frac{1}{2}$ ; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East  $\frac{1}{2}$  which is also the North line of said East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  of Section 6; thence East along said North line of the last aforementioned East  $\frac{1}{2}$  a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East  $\frac{1}{2}$ ; thence South along said West line of the East 150 feet of said last aforementioned East  $\frac{1}{2}$  a distance of 233.33 feet; thence Northwestwardly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East  $\frac{1}{2}$  which is 383.33 feet West of the Northeast corner of said last aforementioned East  $\frac{1}{2}$  which is also the Southeast corner of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6; thence Westwardly a distance of 33.15 feet to a point which is 3.13 feet North of the South line of said last aforementioned East  $\frac{1}{2}$  and 248.20 feet East of the West line of said last aforementioned East  $\frac{1}{2}$ ; thence West parallel with said South line of said last aforementioned East  $\frac{1}{2}$  a distance of 52.53 feet; thence North at 90 degrees to the last described line 59.72 feet; thence West parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  143.53 feet to a point on a curved line (said point being 62.85 feet

North of, as measured along the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, and parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  52.66 feet East of said West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ); thence Northwestwardly along the arc of a circle having a radius of 192 feet convex Southwesterly a distance of 117.45 feet to a point which is 2.45 feet East of said West line of said last aforementioned East  $\frac{1}{2}$  and 166.67 feet North of said South line of said East  $\frac{1}{2}$ ; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex Westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East  $\frac{1}{2}$  which is 201 feet North of the Southwest corner thereof and thence North along said West line of said last aforementioned East  $\frac{1}{2}$  a distance of 132.36 feet to the point of beginning excepting from that part of the above described parcel which lies within said East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, the East 15 feet thereof, in Cook County, Illinois.

**Parcel 5:**

Perpetual easement for railroad purposes for the use and benefit of the above Parcel 4 over the following described tract of land:

A strip of land in the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at a point which is 330.66 feet North of the South line and 351.05 feet West of the East line of said East  $\frac{1}{2}$  and running thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 101.75 feet to a point which is 282.90 feet North of said South line and 262 feet West of said East line of said East  $\frac{1}{2}$ ; thence South parallel with said East line of the East  $\frac{1}{2}$  a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line and 174.85 feet West of said East line of the East  $\frac{1}{2}$ ; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East  $\frac{1}{2}$  165 feet of said East  $\frac{1}{2}$  which is 65.35 feet North of said South line of the East  $\frac{1}{2}$ ; thence North along said West line of the East  $\frac{1}{2}$  165 feet a distance of 97.72 feet to its point of intersection with the arc of a circle having a radius of 259.01 feet convex Northeasterly and concentric with the hereinbefore mentioned arc of 239.01 feet radius and thence Northwestwardly along said arc of 259.01 feet radius a distance of 262.27 feet to the point of beginning as created by indenture recorded as document 15693299, in Cook County, Illinois.

**PARCEL 6:**

Perpetual Easement for roadway purposes for the use and benefit of Parcel 4 over the following described tract of land:

That part lying North and South of Parcel 4 and of the West 17 feet of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6 (except that part thereof lying South of a line beginning at a point in the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, 87 feet North of the Southwest corner thereof; thence running Southeasterly to a point 17 feet East of the West line and 70 feet North of the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6; as reserved in and created by deed recorded as documents 4512051 and 4513726 and as modified and granted by indenture recorded as documents 12796980 and 15693299, in Cook County, Illinois.

PARCEL 7:

Perpetual Easement for roadway purposes for the use and benefit of Parcel 4 as above described over the following described tract of land:

That part of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

Beginning at the point of intersection of a line 200 feet East of and parallel to the west line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6 and a line 949 feet South of and parallel to the North line of said West  $\frac{1}{2}$  thence East along the last described line 464.82 feet more or less to a point in the East line of said West  $\frac{1}{2}$ ; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; thence West along the last described line to a point 250 feet East of the West line of said West  $\frac{1}{2}$ ; thence North parallel to the West line of said West  $\frac{1}{2}$  5 feet; thence West parallel to the North line of said West  $\frac{1}{2}$  to its intersection with a line 200 feet East of and parallel to the West line of said West  $\frac{1}{2}$ ; thence North along the last described line a distance of 30 feet to the point of beginning; as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document number 12796978 and as reserved as to part thereof by deed recorded as document 12796979 and as modified by indenture recorded as document 15693299 in Cook County, Illinois.

PARCEL 8:

Perpetual easement for roadway purposes for the use and benefit of Parcel 4 as reserved in deed November 1, 1973 as document 22584942 over the following described tract of land:

That part of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at the Southeast corner of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence West along the South line of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  said point of intersection being 70 feet North of the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along the said line which is parallel to and 17 feet Easterly of the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6 a distance of 37 feet to a point; thence East at right angles to the last described line a distance of 1.5 feet thence South at right angles to the last described line a distance of 11.5 feet; thence West at right angles to the last described line a distance of 1.5 feet to its intersections with a line which is 17 feet East of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along the last described line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence West along the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section a distance of 17 feet to the point of beginning, in Cook County, Illinois.

## PARCEL 9

That part of the South 493.86 feet of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian described as follows:

Beginning at a point on the West line of said East  $\frac{1}{2}$  which is 333.36 feet North of the Southwest corner thereof, which point is also 994.03 feet South of the Northwest corner thereof, and running thence East parallel with the South line of said East  $\frac{1}{2}$  a distance of 68.50 feet; thence North parallel with said West line of said East  $\frac{1}{2}$ , a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of said South line of said East  $\frac{1}{2}$ ; thence Southeasterly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly, a distance of 206.72 feet to a point 282.90 feet North of said South line of said East  $\frac{1}{2}$  and 262 feet West of the East line of said East  $\frac{1}{2}$ ; thence South parallel with said East line of the East  $\frac{1}{2}$ , a distance of 16.33 feet; thence Southeasterly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of the East  $\frac{1}{2}$  and 174.85 feet West of said East line of the East  $\frac{1}{2}$ ; thence Southwesterly a distance of 56.72 feet to a point on the West line of the East  $\frac{1}{2}$  165 feet of said East  $\frac{1}{2}$  which is 65.35 feet North of the South line of the East  $\frac{1}{2}$ ; thence North along said West line of the East  $\frac{1}{2}$  165 feet a distance of 428.51 feet more or less to its intersection with a line of 493.86 feet North of and parallel to the South line of said Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , which point is also 83.35 feet South of the North line of said Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; thence West along said last described line a distance 499.67 feet more or less to its intersection with said West line of said East  $\frac{1}{2}$ ; and thence South along said West line of said East  $\frac{1}{2}$  a distance of 160.50 feet more or less to the point of beginning. Cook County, Illinois.

## PARCEL 10

Perpetual easements for roadway purposes for the use and benefit of the above described Parcel 9, over the following described tract of land (A) That part lying North and South of above described Parcel 9, of the West 17 feet of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6 as reserved in and created by deeds recorded as document nos. 4512051 and 4513726, and as modified and granted in part thereof by deed recorded as document 9133317 and indenture recorded as document 12796980 and as created by indenture recorded as document 15693299 (B) That part of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of section 6, township 38 North, Range 14, East of the third Principal Meridian, bounded and described as follows beginning at the point of intersection of a line 200 feet East of and parallel to the West line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, and a line 949 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; thence East along the last described line 464.82 feet more or less to a point in the East line of the Southwest  $\frac{1}{4}$ ; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; thence West along the last described line to a point 250 feet East of the West line of said West  $\frac{1}{2}$ ; thence North parallel to the West line of said West  $\frac{1}{2}$ , 5 feet; thence West parallel to the North line of said West  $\frac{1}{2}$  to its intersection with a line 200 feet East of and parallel to the West line of said West  $\frac{1}{2}$ ; thence North along the last described line a distance of 30 feet to the point of beginning, as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document 12796978 and as reserved as to a part thereof by deed recorded as document 12796979 and as created by indenture recorded as document 15693299 © That part of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian bounded and described as follows to wit: Beginning at the Southeast corner of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence West along the

South line of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$ , said point of intersection being 70 feet North of the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, thence South along said line which is parallel to and 17 feet Easterly of the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, a distance of 37 feet to a point; thence East at right angles to the last described line a distance of 1.5 feet; thence South at right angles to last described line a distance of 11.5 feet; thence West at right angles to last described line a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along last described parallel line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  thence West along the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said section 6, a distance of 17 feet to the point of beginning, except that part falling in the East  $\frac{1}{2}$  of said Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  as created by indenture recorded as document 12796980 and in part thereof by deed recorded as document 9133317 and as created by indenture recorded as document 1569299. Cook County, Illinois.

#### PARCEL 11

Perpetual easement for railroad purposes for the use and benefit of the above described Parcel 9 over the following described tract of land, a strip of land in the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14, East of the Third Principal meridian, described as follows:

Beginning at a point which is 330.66 feet North of the South line and 351.05 feet West of the east line of said East  $\frac{1}{2}$  and running thence Southeasterly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 101.75 feet to a point 282.90 feet North of the South line and 262 feet West of said East line of said East  $\frac{1}{2}$ ; thence South parallel with said East line of East  $\frac{1}{2}$  a distance of 7.90 feet and thence Northwesterly along the arc of a circle having a radius of 235.85 feet and convex Northeasterly a distance of 106.22 feet to the point of beginning as created by indenture recorded as document no. 15693299, Cook County, Illinois.

#### PARCEL 12

Perpetual easement for the benefit of above described Parcel 9, over, along, the West 17 feet of the North 823.53 feet of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, for a sewer pipe and other underground utilities, as created by the indentures recorded as document 15693299 and 15837164, Cook County, Illinois.

#### PARCEL 13

A PARCEL OF LAND IN THE east  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at a point on the West line of said East  $\frac{1}{2}$  which is 833.53 feet South of the North line of the Southwest  $\frac{1}{4}$  of said Section 6 and running thence East along a line parallel with the South line of said East  $\frac{1}{2}$  to its

intersection with a line 165 feet West of and parallel to the East line of said East  $\frac{1}{2}$ ; thence North along said last parallel line a distance of 10 feet; thence West along a line parallel to said South line of said East  $\frac{1}{2}$  to its intersection with the West line of said East  $\frac{1}{2}$ ; thence South along said West line of said East  $\frac{1}{2}$  a distance of 10 feet, to the point of beginning. Cook County, Illinois.

PARCEL 14

A parcel of land in the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at a point on the West line of said East  $\frac{1}{2}$  which is 853.53 feet South of the North line of the Southwest  $\frac{1}{4}$  of said Section 6 and running thence East on a line parallel with the South line of said East  $\frac{1}{2}$  to its intersection with a line 165 feet West of and parallel to the East line of said East  $\frac{1}{2}$ , said point of intersection being the point of beginning, thence North along said last parallel line, a distance of 30 feet; thence East along a line parallel to said South line of said East  $\frac{1}{2}$ , a distance of 15 feet; thence South along a line parallel with the East line of said East  $\frac{1}{2}$  a distance of 30 feet; thence West along a straight line to the point of beginning, in Cook County, Illinois.

PARCEL 15:

That part of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows: Beginning at a point on a line 52.85 feet North of (as measured along the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6) and parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , 52.68 feet East of said West line of the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; thence East parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  143.53 feet to a point; thence South at 90 degrees to last described course 59.72 feet to a pin; thence West 90 degrees to last described course 4.37 feet to a point of curve; thence Northwesterly along a curve line, convex Southwesterly, having a radius of 192 feet, an arc distance of 155.68 feet to the point of beginning; in Cook County, Illinois.

PARCEL 16:

Easements appurtenant to and for the benefit of Parcels 15, 21, 22, 23 as created by deed from American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement and known as Trust Number 21669 to Josie Carlson recorded January 2, 1974 as document number 22584942 for ingress and egress over the following; That part of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on a line 62.85 feet North of (as measured along the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6 and parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , 52.66 feet East of said West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; thence East parallel with the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  143.53 feet to a point; thence North at 90 degrees to last described course 20.0 feet to a point; thence West at 90 degrees to last described course 160.12 feet to a point on a curved line; thence Southeasterly

along said curved line, convex Southwesterly, having a radius of 192 feet, an arc distance of 26.01 feet to the point of beginning, in Cook County, Illinois.

**PARCEL 17:**

Perpetual Easement for roadway purposes for the use and benefit of Parcels 15, 21, 22 and 23 above described over the following described tract of land; that part of West 17 feet of East  $\frac{1}{2}$  of Northwest  $\frac{1}{4}$  of Southwest  $\frac{1}{4}$  of said Section 6 lying North and South of the following described parcel; those parts of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of Southwest  $\frac{1}{4}$  and the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on the West line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of the last aforementioned East  $\frac{1}{2}$  a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East  $\frac{1}{2}$  a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East  $\frac{1}{2}$ ; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of last aforementioned East  $\frac{1}{2}$ ; and 262 feet West of the East line of said last aforementioned East  $\frac{1}{2}$ ; thence South parallel with said East line of said last aforementioned East  $\frac{1}{2}$  a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.984 feet to a point 121.14 feet North of said South line of said last aforementioned East  $\frac{1}{2}$  and 174.85 feet West of said East line of said last aforementioned West  $\frac{1}{2}$ ; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East  $\frac{1}{2}$  which point is 65.35 feet North of said South line of said last aforementioned East  $\frac{1}{2}$ ; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East  $\frac{1}{2}$  which is also the North line of said East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  of Section 6; thence East along said North line of the last aforementioned East  $\frac{1}{2}$  a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East  $\frac{1}{2}$ ; thence South along said West line of East 150 feet of said last aforementioned East  $\frac{1}{2}$  a distance of 233.33 feet; thence Northwestwardly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East  $\frac{1}{2}$  which is 383.3 feet West of the Northeast corner of said last aforementioned East  $\frac{1}{2}$  which is also the Southeast corner of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, thence westwardly a distance of 33.16 feet to a point which is 3.13 feet North of the South line of said last aforementioned East  $\frac{1}{2}$  and 248.20 feet East of the West line of said last aforementioned East  $\frac{1}{2}$ ; thence West parallel with said South line of said last aforementioned East  $\frac{1}{2}$  a distance of 56.90 feet; thence Northwestwardly along the arc of a circle having a radius of 192 feet convex Southwesterly a distance of 273.11 feet to a point which is 2.45 feet East of said West line of said last aforementioned East  $\frac{1}{2}$ ; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East  $\frac{1}{2}$  which is 201 feet North of the Southwest corner thereof and thence North along said West line of said last aforementioned East  $\frac{1}{2}$  a distance of 132.36 feet to the point of Beginning (Except from said West 17 feet that part thereof lying South of a line beginning at a point in the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, 87 feet North of the Southwest corner thereof; thence running Southeastwardly to a point 17 feet East of the West line and 70 feet North of the South line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6) as reserved in and created by deeds recorded as document 4512051 and 4513726 and as modified and granted by indenture recorded as document 12796980 and 15693299, Cook County, Illinois.

PARCEL 18:

Perpetual easements for roadway purposes for the use and benefit of the above described Parcels 15, 21, 22 and 23 over the following described tract of land;

That part of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian, bounded and described as follows:

Beginning at the point of intersection of a line 200 feet East of and parallel to the West line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, and a line 949 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; thence East along the last described line 464.82 feet more or less to a point in the East line of Southwest  $\frac{1}{4}$ ; thence South along said last described line 35 feet to its intersection with a line 984 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; thence West along the last described line to a point 250 feet East of the West line of said West  $\frac{1}{2}$ ; thence North parallel to the West line of said West  $\frac{1}{2}$ , 5 feet; thence West parallel to the North line of said West  $\frac{1}{2}$  to its intersection with a line 200 feet East of and parallel to the West line of said West  $\frac{1}{2}$ ; thence North along the last described line a distance of 30 feet to the point of beginning, as created as to all except the East 15 feet thereof by indenture recorded as document 12796977 and as modified by indenture recorded as document 12796978 and as reserved as to a part thereof by deed recorded as document 12796979 and as created by indenture recorded as document 15693299 (Excepting from said premises that part falling in the property described therein), Cook County, Illinois.

PARCEL 19:

Perpetual easement for roadway purposes for the use and benefit of Parcels 15, 21, 22, and 23 above described over the following described tract of land:

That part of the following described parcel falling in the West 17 feet of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, those parts of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and of the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  all of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian described as follows: Beginning at a point on the West line of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  which is 333.36 feet North of the Southwest corner thereof and running thence East parallel with the South line of last aforementioned East  $\frac{1}{2}$  a distance of 68.50 feet; thence North parallel with said West line of the said last aforementioned East  $\frac{1}{2}$  a distance of 15.18 feet; thence East a distance of 142.15 feet to a point which is 348.07 feet North of the South line of the last aforementioned East  $\frac{1}{2}$ ; thence Southeastwardly along the arc of a circle having a radius of 319.62 feet and convex Northeasterly a distance of 206.72 feet to a point 282.90 feet North of said South line of last aforementioned East  $\frac{1}{2}$  and 262 feet West of the East line of said aforementioned East  $\frac{1}{2}$ ; thence South parallel with said East line of said last aforementioned East  $\frac{1}{2}$  a distance of 16.33 feet; thence Southeastwardly along the arc of a circle having a radius of 239.01 feet and convex Northeasterly a distance of 173.84 feet to a point 121.14 feet North of said South line of said last aforementioned East  $\frac{1}{2}$  and 174.85 feet West of said East line of said last aforementioned East  $\frac{1}{2}$ ; thence Southwestwardly a distance of 56.72 feet to a point on the West line of the East 165 feet of said last aforementioned East  $\frac{1}{2}$ ; thence South along said West line of the East 165 feet a distance of 65.35 feet to said South line of said last aforementioned East  $\frac{1}{2}$  which is also the North line of said East  $\frac{1}{2}$  of the



Southwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  of Section 6; thence East along said North line of the last aforementioned East  $\frac{1}{2}$  a distance of 15 feet to the West line of the East 150 feet of said last aforementioned East  $\frac{1}{2}$  thence South along said West line of the East 150 feet of said last aforementioned East  $\frac{1}{2}$  a distance of 233.33 feet; thence Northwestwardly along the arc of a circle having a radius of 258.50 feet and convex Northeasterly a distance of 359.2 feet to a point on said North line of the said last aforementioned East  $\frac{1}{2}$  which is 383.33 feet West of the Northeast corner of said last aforementioned East  $\frac{1}{2}$  which is also the Southeast corner of said East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6; thence Westwardly a distance of 33.15 feet to a point which is 3.13 feet North of the South line of said last aforementioned East  $\frac{1}{2}$  and 248.20 feet East of the West line of said last aforementioned East  $\frac{1}{2}$ ; thence West parallel with said South line of said last aforementioned East  $\frac{1}{2}$  a distance of 56.90 feet; thence Northwestwardly along the arc of circle having a radius of 192 feet convex Southwesterly a distance of 273.11 feet to a point which is 2.45 feet East of said West line of said last aforementioned East  $\frac{1}{2}$  and 166.67 feet North of said South line of said East  $\frac{1}{2}$ ; thence Northwestwardly along the arc of a circle having a radius of 241.70 feet and convex Westerly a distance of 34.46 feet to a point on said West line of said last aforementioned East  $\frac{1}{2}$  which is 201 feet North of the Southwest corner thereof and thence North along said South line of said last aforementioned East  $\frac{1}{2}$  a distance of 132.36 feet, to point of beginning, Cook County, Illinois.

**PARCEL 20:**

That part of the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at a point on the line between the East  $\frac{1}{2}$  and the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Southwest  $\frac{1}{4}$  106.8 feet South of the North line of the Southwest  $\frac{1}{4}$  of said Section 6; thence Northwestwardly on a straight line to a point 10.8 feet South of the North line and 155.5 feet East of the West line of the East  $\frac{1}{2}$  of said Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ ; thence Northwestwardly on a curve to the Southwest with a radius of 230 feet to a point 52 feet North of the South line and 35 feet East of the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6; Northwestwardly on a straight line to its intersection with a line 17 feet Easterly of and parallel to the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said section 6, said point of intersection being 70 feet North of the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along said line which is parallel to and 17 feet Easterly of the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, a distance of 37 feet to a point; thence East at right angles to the last described line, a distance of 1.5 feet; thence South at right angles at the last described line a distance of 11.5 feet; thence West at right angles to the last described line, a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along described parallel line, a distance of 21.5 feet more or less to its intersection with the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence West along the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 4 to its intersection with the line between the East  $\frac{1}{2}$  and the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along said last described line, a distance of 106.8 feet to the point of beginning, in Cook County, Illinois.

**PARCEL 21:**

That part of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows: Beginning at a point 200 feet East of the West line and 299.03 feet North of the South line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, said point being also 1029 feet South of the North line of said West  $\frac{1}{2}$ ; thence Easterly along a straight line 1029 feet South of and parallel to the North line of said West  $\frac{1}{2}$ , a distance of 449.62 feet more or less to a point 15 feet West of the East line and 298.59 feet North of the South line of said West  $\frac{1}{2}$ ; thence South along a line 15 feet West and parallel to the East line of the West  $\frac{1}{2}$ , a distance of 265.59 feet to its intersection with a line 33 feet North of and parallel to the South line of said West  $\frac{1}{2}$ ; thence West on the last described line, a distance of 449.52 feet more or less to its intersection with a line 200 feet East of and parallel to the West line of said West  $\frac{1}{2}$ ; thence North along the last described line, a distance of 266.03 feet to the point of beginning; Cook County, Illinois.

PARCEL 22:

That part of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14 East of the Third Principal Meridian, being at a point of intersection of a line 200 feet East of and parallel to the West line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and a line 1029 feet South of and parallel to the North line of said West  $\frac{1}{2}$ ; a thence East along the last described line 449.62 feet more or less to its intersection with a line 15 feet West of and parallel to the East line of said West  $\frac{1}{2}$ ; thence North along the last described line 60 feet; thence West on a line which is 969 feet South of and parallel to the North line of said West  $\frac{1}{2}$ , 449.62 feet more or less to its intersection with a line 200 feet East and parallel with the West line of said West  $\frac{1}{2}$ ; thence South along said last described line 60 feet to the point of beginning. Cook County, Illinois.

PARCEL 23:

That part of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 6, Township 38 North, Range 14, East of the Third Principal Meridian bounded and described as follows;

Beginning at the Southeast corner of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence West along the South line of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 15 feet to a point; thence North on a line parallel with and 15 feet West of the East line of the West  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$  a distance of 102 feet to a point; thence Southeasterly on a straight line to its intersection with a line 17 feet Easterly of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Southwest  $\frac{1}{4}$ , said point of intersection being 70 feet North of the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, thence South along said line which is parallel to and 17 feet Easterly of the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, a distance of 37 feet to a point; thence East at right angles to last described line a distance of 1.5 feet; thence South at right angles to last described line a distance of 11.5 feet; thence West at right angles to last described line a distance of 1.5 feet to its intersection with a line which is 17 feet East of and parallel with the West line of the East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6; thence South along last described parallel line a distance of 21.5 feet more or less to its intersection with the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  thence West along the South line of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of said Section 6, a distance of 17 feet to the point of beginning. All in Cook County, Illinois.

PARCEL 24:

Perpetual unrecorded easement for roadway purposes for the use and benefit of parcels 21, 22, and 23 above described over the following described tract of land lying South of the North 949.00 feet thereof:

The East 15 feet of the Northwest ¼ of the West ½ of the Southwest ¼ of Section 6, Township 38 North Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

- PINS: 20-06-300-013-000  
20-06-300-016-0000  
20-06-302-017-0000  
20-06-302-019-0000  
20-06-302-021-0000  
20-06-501-005-0000  
20-06-302-013-0000  
20-06-302-026-0000  
20-06-302-018-0000  
20-06-302-020-0000  
20-06-300-030-0000  
20-06-300-020-0000  
20-06-300-031-0000  
20-06-300-009-0000  
20-06-302-014-0000  
20-06-300-008-0000  
20-06-300-015-0000

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT B-3**

**LEGAL DESCRIPTION OF THE ATLAS TUBE FACILITY**

A legal description of the Atlas Tube facility is attached to this exhibit cover sheet.

**EXHIBIT A**  
**DESCRIPTION OF THE LEASED LAND**

**Parcel 1:**

That part of the Fractional Section 25 and Section 26 South of the Indian boundary line and that part of Lake Calurnet, all in Township 37 North, Range 14 East of the Third Principal Meridian, described as is described in the following:

Commencing at the intersection of a line 660 feet North of and parallel with the South line of said Section 26, with the West line of and said line extended of said Section 25; thence Northeasterly along a line forming an angle of 135 degrees from West to the Northeast with said parallel line a distance of 1286.90 feet to the point of intersection with a line which is 1750 feet West of and parallel with the North and South center line of said Section 25; thence North 0 degrees 00 minutes 48 seconds East along said parallel line a distance of 3,600.65 feet to a point 86.25 feet (as measured along said parallel line) South of the North line of the Northwest Quarter of said Section 25; thence North 89 degrees 59 minutes 12 seconds West along a line which is perpendicular to the North and south center line of Section 25 a distance of 400.00 feet to the point of beginning of the tract herein described; thence North 0 degrees 00 minutes 48 seconds East along a line parallel with said North and South center line a distance of 65.37 feet to the point of intersection with a line drawn 15.00 feet South of and parallel with the North line of said Section 25; thence South 89 degrees 10 minutes 18 seconds West along the last described parallel line, a distance of 500.06 feet to the point to intersection with a line drawn 2,650 feet West of and parallel with the North and South center line of Section 25; thence South 0 degrees 00 minutes 48 seconds West along said parallel line a distance of 58.03 feet to the intersection with a line drawn perpendicularly to the North and South center line of Section 25, through herein designated point of beginning; thence North 89 degrees 59 minutes 12 seconds West along the last described perpendicular line a distance of 500.00 feet; thence South 0 degrees 00 minutes 48 seconds West a distance of 1,274.12 feet; thence South 89 degrees 59 minutes 12 seconds East a distance of 1,230.085 feet; thence North 0 degrees 16 minutes 23 seconds West a distance of 237.42 feet; thence North 4 degrees 05 minutes 11 seconds East a distance of 363.062 feet; thence North 0 degrees 12 minutes 40 seconds West a distance of 274.52 feet; thence North 14 degrees 59 minutes 21 seconds West a distance of 207.10 feet; thence North 89 degrees 59 minutes 12 seconds West a distance of 200.00 feet; thence North 0 degrees 00 minutes 48 seconds East a distance of 200.00 feet to the herein designated point of beginning, all in Cook County, Illinois.

**Parcel 2: Easements for the benefit of Parcel 1, said easements described as follows:**

(A) An easement to use the plant road in common with others from the harbor to the plant gate at East 122<sup>nd</sup> street, which road is approximately 24 feet in width, running along the Eastern boundary of Parcel 1 as outlined on Exhibit "A" attached to amendment No. 1 to said Sublease dated June 20, 1969;

(B) An easement over the land lying between Parcel 1 and the plant road referred to in Parcel 2(A) above for the purpose of constructing, using and maintaining a driveway for access from Parcel 1 to Parcel 2(A) above, the center line of said easement being parallel to and approximately 169.24 feet North of the South boundary of Parcel 1 extended, and said easement being approximately 40 feet in width flaring to approximately 160 feet in width where it joins Parcel 2(A);

(C) Easement to construct and use a road approximately 30 feet in width, running from the point where East 122<sup>nd</sup> Street extended intersects the East boundary of the Sublessor's property leased to Bulk Terminals Company, a Delaware corporation, by Lease dated July 1, 1960 executed June 25, 1960 and Lease (Short Form) dated July 1, 1960 recorded March 27, 1961 as document 18119146, West in straight line extension of 122<sup>nd</sup> Street approximately 800 feet, all in Cook County, Illinois.

PIN: 25-26-600-001-8010

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

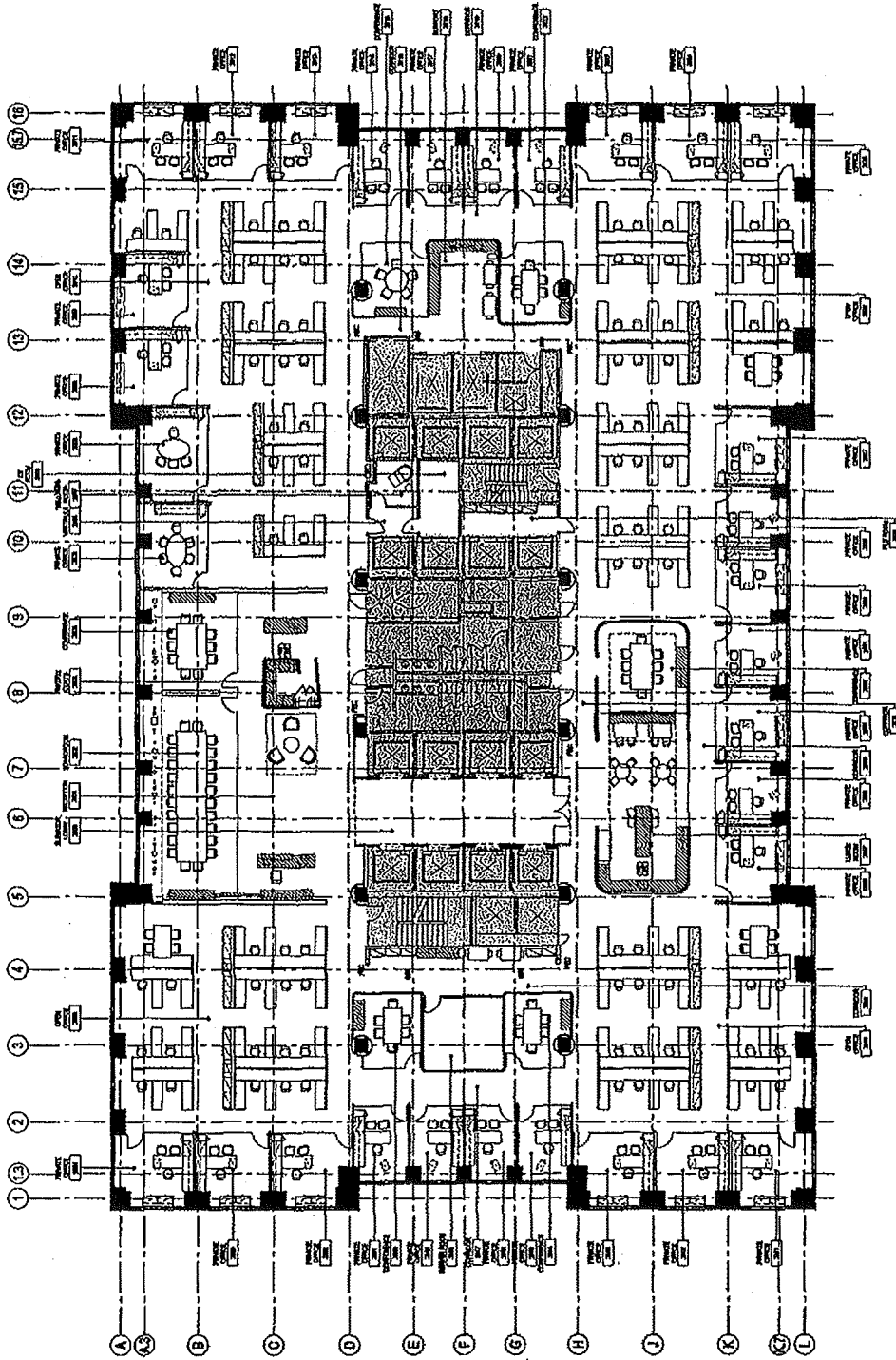
**EXHIBIT B-4**

**SITE PLAN FOR THE PROJECT / HEADQUARTERS SPACE**

A Site Plan for the Project / Headquarters Space property is attached to this exhibit cover sheet.

KEY NOTES

SHEET NOTES





**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT C**

**REDEVELOPMENT PLAN**

The Redevelopment Plan for the LaSalle Central Redevelopment Project Area is attached to this exhibit cover sheet.

**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS  
APPROVING A REDEVELOPMENT PLAN  
FOR THE  
LASALLE CENTRAL REDEVELOPMENT PROJECT AREA**

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

WHEREAS, by authority of the Mayor and the City Council of the City (the "City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") and pursuant to Section 5/11-74.4-5(a) of the Act, the City's Department of Planning and Development established an interested parties registry and, on March 29, 2006 published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since June 29, 2006, being a date not less than 10 days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 06-CDC-60 on July 11, 2006 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on July 21, 2006 which is within a reasonable time after the adoption by the Commission of Resolution 06-CDC-60 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 19, 2006, by publication in the Chicago Sun-Times or Chicago Tribune on August 18, 2006 and August 25, 2006, by certified mail to taxpayers within the Area on August 15, 2006; and

WHEREAS, a meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on August 4, 2006 at 10:00 a.m., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 12, 2006; and

WHEREAS, the Commission has forwarded to the City Council a copy of its Resolution 06-CDC-72 attached hereto as Exhibit B, adopted on September 12, 2006, recommending to the City Council approval of the Plan, among other related matters; and

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

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

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

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

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

- a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed

without the adoption of the Plan;

**b. The Plan:**

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

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

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

d. The Plan will not result in displacement of residents from inhabited units.

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

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

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

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

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

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT D-1**

**PROJECT BUDGET**

A project budget is attached to this exhibit cover sheet.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA  
JMC STEEL GROUP, INC.**

**EXHIBIT D-1: PROJECT BUDGET**

	<u>Amount</u>	<u>\$ per SF of Building Area*</u>	<u>% of Total Project Costs</u>	<u>Support Reference</u>
<b>Hard Costs</b>				
<b>Direct Costs</b>				
Hoisting/Load/Haul	21,100.00	\$0.73	0.5%	H1
Demolition	77,450.00	\$2.66	1.9%	H2
Rough Carpentry	9,000.00	\$0.31	0.2%	H3
Millwork	375,223.76	\$12.90	9.1%	H4
MEP Coordination	9,240.00	\$0.32	0.2%	H5
Hardware	12,201.00	\$0.42	0.3%	H6
Glass and Glazing	327,712.12	\$11.27	7.9%	H7
Drywall	353,891.90	\$12.17	8.5%	H8
Dimensional Tile	89,052.16	\$3.06	2.2%	H9
Resilient	14,960.00	\$0.51	0.4%	H10
Carpeting	209,178.25	\$7.19	5.1%	H11
Painting and Wallcovering	85,498.17	\$2.94	2.1%	H12
Accessories	3,666.00	\$0.13	0.1%	H13
Audio Visual	60,000.00	\$2.06	1.4%	H14
Appliances	15,472.00	\$0.53	0.4%	H15
Window Treatment	17,740.12	\$0.61	0.4%	H16
Elevators	23,217.57	\$0.80	0.6%	H17
Fire Protection	47,779.63	\$1.64	1.2%	H18
Plumbing	27,829.48	\$0.96	0.7%	H19
HVAC	158,087.39	\$5.44	3.8%	H20
Electrical	605,952.97	\$20.84	14.6%	H21
Security	10,518.00	\$0.36	0.3%	H22
Final Cleaning	85,534.44	\$2.94	2.1%	H23
<b>Total Direct Costs</b>	<b>\$2,640,304.96</b>	<b>\$90.79</b>	<b>63.8%</b>	
Miscellaneous	2,947.08	\$0.10	0.1%	H24
<b>Total Hard Construction</b>	<b>\$2,643,252.04</b>	<b>\$90.90</b>	<b>63.8%</b>	
Fee	25,210.91	\$0.87	0.6%	H25
General Conditions	82,910.00	\$2.85	2.0%	H26
Contingency	9,783.00	\$0.34	0.2%	H27
Owner's Savings	(9,783.00)	-\$0.34	-0.2%	H28
Insurance	23,609.62	\$0.81	0.6%	H29
Permit Costs	13,907.37	\$0.48	0.3%	H30
LEED Costs	16,700.00	\$0.57	0.4%	H31
<b>Total Hard Costs</b>	<b>\$2,805,589.94</b>	<b>\$96.48</b>	<b>67.7%</b>	
<b>Furniture and Fixtures</b>	<b>1,013,842.14</b>	<b>\$34.86</b>	<b>24.5%</b>	<b>F1</b>
<b>Soft Costs</b>				
Architectural & Design Services	\$117,450.00	\$4.04	2.8%	S1
MEP/FB Base Work	\$29,000.00	\$1.00	0.7%	S2
Low Voltage Cable System Design	\$8,500.00	\$0.29	0.2%	S3
Graphics & LEED Consulting	\$25,000.00	\$0.86	0.6%	S4
Other Soft Costs - Moving	\$11,033.64	\$0.38	0.3%	S5
Consulting Fees	\$120,138.30	\$4.13	2.9%	S6
Compliance/Project Management	\$11,050.00	\$0.38	0.3%	S7
<b>Total Soft Costs</b>	<b>\$322,171.94</b>	<b>\$11.08</b>	<b>7.8%</b>	
<b>Total Project Costs</b>	<b>\$4,141,604.02</b>	<b>\$142.42</b>	<b>100.0%</b>	

\* Building area = 29,080 square feet

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT D-2**

**CONSTRUCTION (MBE/WBE) BUDGET**

A construction (MBE/WBE) budget is attached to this exhibit cover sheet.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA  
JMC STEEL GROUP, INC.**

**EXHIBIT D-2: CONSTRUCTION (MBE/WBE) BUDGET - Hard & Soft Costs**

Description	SF Cost	29,080 Cost/SF	MBE	WBE
<b>Hard Costs</b>				
Millwork	\$ 346,723.76	\$ 11.92		\$ 86,264.00
Glass and Glazing	\$ 327,712.12	\$ 11.27	\$ 160,000.00	
Drywall	\$ 353,891.90	\$ 12.17	\$ 54,000.00	\$ 53,000.00
Carpeting	\$ 209,178.25	\$ 7.19		
HVAC	\$ 62,991.00	\$ 2.17	\$ 62,991.00	
Electrical	\$ 235,538.00	\$ 8.10	\$ 235,538.00	
Other Hard Costs	\$ 556,995.65	\$ 19.15	\$ 129,703.00	\$ 6,700.00
<b>Total Hard Costs</b>	<b>\$ 2,093,030.68</b>	<b>\$ 71.97</b>		
<b>Soft Costs</b>				
Architectural & Design Services	\$ 117,450.00	\$ 4.04		
Other Soft Costs	\$ 84,583.64	\$ 2.91		\$ 11,050.00
<b>Total Soft Costs</b>	<b>\$ 202,033.64</b>	<b>\$ 6.95</b>		
<b>Total Hard &amp; Soft Costs</b>	<b>\$ 2,295,064.32</b>	<b>\$ 78.92</b>	<b>\$ 642,232.00</b>	<b>\$ 157,014.00</b>
<b>Total MBE Costs*</b>	<b>\$ 642,232.00</b>			
<i>Percentage of Hard Costs</i>		<i>27.98%</i>		
<b>Total WBE Costs**</b>	<b>\$ 157,014.00</b>			
<i>Percentage of Hard Costs</i>		<i>6.84%</i>		

\*MBE requirement based on 24% of Hard Costs.

\*\*WBE requirement based on 4% of Hard Costs.



**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT E**

**SCHEDULE OF TIF-FUNDED IMPROVEMENTS**

A schedule of TIF-funded improvements is attached to this exhibit cover sheet.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA  
JMC STEEL GROUP, INC.**

**EXHIBIT E: SCHEDULE OF TIF-FUNDED IMPROVEMENTS**

	<u>Budget Amount</u>	<u>Eligible Cost</u>	<u>\$ per SF of Building Area*</u>	<u>% of Total Project Costs</u>
<b>Hard Costs</b>				
<b>Direct Costs</b>				
Hoisting/Load/Haul	21,100.00	21,100.00	\$0.73	0.5%
Demolition	77,450.00	77,450.00	\$2.66	1.9%
Rough Carpentry	9,000.00	9,000.00	\$0.31	0.2%
Millwork	375,223.76	375,223.76	\$12.90	9.1%
MEP Coordination	9,240.00	9,240.00	\$0.32	0.2%
Hardware	12,201.00	12,201.00	\$0.42	0.3%
Glass and Glazing	327,712.12	327,712.12	\$11.27	7.9%
Drywall	353,891.90	353,891.90	\$12.17	8.5%
Dimensional Tile	89,052.16	89,052.16	\$3.06	2.2%
Resilient	14,960.00	14,960.00	\$0.51	0.4%
Carpeting	209,178.25	209,178.25	\$7.19	5.1%
Painting and Wallcovering	85,498.17	85,498.17	\$2.94	2.1%
Accessories	3,666.00	3,666.00	\$0.13	0.1%
Audio Visual	60,000.00	60,000.00	\$2.06	1.4%
Appliances	15,472.00	15,472.00	\$0.53	0.4%
Window Treatment	17,740.12	17,740.12	\$0.61	0.4%
Elevators	23,217.57	23,217.57	\$0.80	0.6%
Fire Protection	47,779.63	47,779.63	\$1.64	1.2%
Plumbing	27,829.48	27,829.48	\$0.96	0.7%
HVAC	158,087.39	158,087.39	\$5.44	3.8%
Electrical	605,952.97	605,952.97	\$20.84	14.6%
Security	10,518.00	10,518.00	\$0.36	0.3%
Final Cleaning	85,534.44	85,534.44	\$2.94	2.1%
<b>Total Direct Costs</b>	<b>\$2,640,304.96</b>	<b>\$2,651,354.96</b>	<b>\$90.79</b>	<b>63.8%</b>
Miscellaneous	\$2,947.08	2,947.08	\$0.10	0.1%
<b>Total Hard Construction</b>	<b>\$2,643,252.04</b>	<b>\$2,654,302.04</b>	<b>\$90.90</b>	<b>63.8%</b>
Fee	\$25,210.91	25,210.91	\$0.87	0.6%
General Conditions	\$82,910.00	82,910.00	\$2.85	2.0%
Contingency	\$9,783.00	9,783.00	\$0.34	0.2%
Owner's Savings	-\$9,783.00	(9,783.00)	(\$0.34)	-0.2%
Insurance	\$23,609.62	23,609.62	\$0.81	0.6%
Permit Costs	\$13,907.37	13,907.37	\$0.48	0.3%
LEED Costs	\$16,700.00	16,700.00	\$0.57	0.4%
<b>Total Hard Costs</b>	<b>\$2,805,589.94</b>	<b>\$2,816,640</b>	<b>\$96.48</b>	<b>67.7%</b>
<b>Furniture and Fixtures</b>	<b>\$1,013,842.14</b>	<b>\$1,013,842</b>	<b>\$34.86</b>	<b>24.5%</b>
<b>Soft Costs</b>				
Architectural & Design Services	\$117,450.00	\$117,450	\$4.04	2.8%
MEP/FB Base Work	\$29,000.00	\$29,000	\$1.00	0.7%
Low Voltage Cable System Design	\$8,500.00	\$8,500	\$0.29	0.2%
Graphics & LEED Consulting	\$25,000.00	\$25,000	\$0.86	0.6%
Other Soft Costs - Moving	\$11,033.64	\$11,034	\$0.38	0.3%
Consulting Fees	\$120,138.30	\$120,138	\$4.13	2.9%
Compliance/Project Management	\$11,050.00	11,050.00	\$0.38	0.3%
<b>Total Soft Costs</b>	<b>\$322,171.94</b>	<b>\$311,122</b>	<b>\$10.70</b>	<b>7.8%</b>
<b>Total Project Costs</b>	<b>\$4,141,604.02</b>	<b>\$4,141,604</b>	<b>\$142.42</b>	<b>100.0%</b>

\*Building area = 29,080 square feet

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT F**

**FORM OF LETTER OF CREDIT**

A form of letter of credit is attached to this exhibit cover sheet.

Local Bank  
Approved by HED  
Street Address  
Chicago, Illinois Zip  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

\_\_\_\_\_, 2013

Our Reference Number: \_\_\_\_\_

Beneficiary:

City of Chicago  
Attn: Commissioner -  
Department of Housing and Economic  
City Hall, Room 1000  
121 N. LaSalle Street  
Chicago, IL 60602

Applicant:

JMC Steel Group, Inc.  
227 West Monroe Street  
26<sup>th</sup> Floor  
Chicago, IL 60606

WE HEREBY ISSUE IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_  
IN FAVOR OF CITY OF CHICAGO FOR THE ACCOUNT OF THE APPLICANT UP TO  
THE AGGREGATE AMOUNT OF \_\_\_\_\_ AND 00/100  
UNITED STATES DOLLARS (USD \_\_\_\_\_ .00), EFFECTIVE IMMEDIATELY. THIS  
CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT OUR OFFICES AT LOCAL  
BANK, LOCAL STREET, CHICAGO, IL ZIP, ATTN TRADE SERVICES AND EXPIRES AT  
4:00 P.M. LOCAL TIME ON \_\_\_\_\_, 20 \_\_\_\_.

THE EXPIRY OF THIS CREDIT WILL BE DEEMED TO BE AUTOMATICALLY  
EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRY DATE  
HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 60 DAYS PRIOR  
TO ANY EXPIRATION DATE WE NOTIFY THE COMMISSIONER OF THE  
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT OF THE CITY OF  
CHICAGO, AT THE ADDRESS LISTED ABOVE, BY OVERNIGHT DELIVERY SERVICE  
OR COURIER THAT WE WILL NOT EXTEND THE EXPIRY OF THIS CREDIT FOR ANY  
SUCH ADDITIONAL PERIOD. THIS LETTER OF CREDIT IS ISSUED AS REQUIRED  
UNDER THAT CERTAIN REDEVELOPMENT AGREEMENT BY AND BETWEEN  
APPLICANT AND BENEFICIARY DATED \_\_\_\_\_, 2013 AND WILL EXPIRE AS  
PROVIDED THEREIN, INCLUDING BUT NOT LIMITED TO SECTION 4.03(b)(iv)(G).

FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU  
UNCONDITIONALLY AGAINST YOUR NOTARIZED SIGHT DRAFTS FOR ANY SUM  
OR SUMS NOT EXCEEDING A TOTAL OF \_\_\_\_\_ AND 00/100  
UNITED STATES DOLLARS (USD \_\_\_\_\_ .00) DRAWN ON US MENTIONING THE  
CREDIT BY NUMBER AND PURPORTEDLY SIGNED BY THE COMMISSIONER OF THE  
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT OF THE CITY OF

CHICAGO OR THE CITY COMPTROLLER OF THE CITY OF CHICAGO (WHETHER ACTING OR ACTUAL). FUNDS DRAWN UNDER THIS CREDIT SHALL BE PAID IN THE FORM OF A CHECK MADE PAYABLE TO "CITY OF CHICAGO" AND SHALL BE SENT BY OVERNIGHT DELIVERY TO THE CITY OF CHICAGO AT THE ADDRESS LISTED ABOVE.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED.

THIS CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND MAY BE AMENDED ONLY BY A WRITTEN AMENDMENT SIGNED BY US AND BY THE BENEFICIARY.

OUR OBLIGATIONS HEREUNDER ARE PRIMARY OBLIGATIONS TO THE CITY OF CHICAGO. WE HEREBY ENGAGE WITH YOU WE WILL HONOR DRAFTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING, AND THIS UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR LIMITED BY ANY DOCUMENT, INSTRUMENT OR AGREEMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO, OR TO WHICH THIS LETTER OF CREDIT RELATES; AND, NO SO SUCH REFERENCE SHALL BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY SUCH DOCUMENT, INSTRUMENT OR AGREEMENT.

THIS IS A CLEAN LETTER OF CREDIT AND NO DOCUMENTS EXCEPT FOR SIGHT DRAFTS ARE REQUIRED.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, 1993 REVISION ("UCP") AND TO THE UNIFORM COMMERCIAL CODE - LETTERS OF CREDIT, 810 ILCS 5/5-101 ET SEQ., AS AMENDED, AS IN EFFECT IN THE STATE OF ILLINOIS ("UCC"). TO THE EXTENT THE PROVISIONS OF THE UCP AND THE UCC CONFLICT, THE PROVISIONS OF THE UCC SHALL CONTROL.

LOCAL BANK

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT G**

**CONSTRUCTION CONTRACT**

The construction contract for the Project is attached to this exhibit cover sheet.

# AIA<sup>®</sup> Document A133<sup>™</sup> – 2009

## **Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price**

AGREEMENT made as of the First day of August in the year Two Thousand Eleven  
(In words, indicate day, month and year.)

BETWEEN the Owner:  
(Name, legal status and address)

Mickey McNamara  
JMC Steel Group  
3201 Enterprise Parkway, Suite 150  
Beachwood, OH 44122  
216.910.3700

and the Construction Manager:  
(Name, legal status and address)

Skender Interiors Group LLC, Limited Liability Company  
200 West Madison  
Suite 1300  
Chicago, IL  
60606

for the following Project:  
(Name and address or location)

JMC Steel  
227 W. Monroe, 26th Floor

The Architect:  
(Name, legal status and address)

Gensler  
11 E. Madison  
Suite 300  
Chicago, IL 60602

The Owner's Designated Representative:  
(Name, address and other information)

Andrew MacGregor  
200 West Madison  
Suite 1300  
Chicago, IL  
60606

Telephone Number: 312.781.0265  
Fax Number: 312.781.0279

### ADDITIONS AND DELETIONS:

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

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

AIA Document A201<sup>™</sup>-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

FILE

File / contract w/owner

int.

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The Construction Manager's Designated Representative:

*(Name, address and other information)*

Andrew MacGregor  
200 West Madison  
Suite 1300  
Chicago, IL  
60606

Telephone Number: 312.781.0265

Fax Number: 312.781.0279

Email Address: amacgregor@skender.com

The Architect's Designated Representative:

*(Name, address and other information)*

Brian Smuts  
11 E. Madison  
Suite 300  
Chicago, IL 60602

The Owner and Construction Manager agree as follows.

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## TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES
- 3 OWNER'S RESPONSIBILITIES
- 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
- 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES
- 6 COST OF THE WORK FOR CONSTRUCTION PHASE
- 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES
- 8 INSURANCE AND BONDS
- 9 DISPUTE RESOLUTION
- 10 TERMINATION OR SUSPENSION
- 11 MISCELLANEOUS PROVISIONS
- 12 SCOPE OF THE AGREEMENT

### ARTICLE 1 GENERAL PROVISIONS

#### § 1.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 2.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 2.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

#### § 1.2 Relationship of the Parties

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

#### § 1.3 General Conditions

For the Preconstruction Phase, AIA Document A201™-2007, General Conditions of the Contract for Construction, shall apply only as specifically provided in this Agreement. For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2007, which document is incorporated herein by reference. The term "Contractor" as used in A201-2007 shall mean the Construction Manager.

### ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 2.1 and 2.2. The Construction Manager's Construction Phase responsibilities are set forth in Section 2.3. The Owner and Construction

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Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

#### § 2.1 Preconstruction Phase

§ 2.1.1 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

#### § 2.1.2 Consultation

The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall advise the Owner and the Architect on proposed site use and improvements, selection of materials, and building systems and equipment. The Construction Manager shall also provide recommendations consistent with the Project requirements to the Owner and Architect on constructability; availability of materials and labor; time requirements for procurement, installation and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 2.1.3 When Project requirements in Section 3.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities and identify items that could affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered well in advance of construction; and the occupancy requirements of the Owner.

#### § 2.1.4 Phased Construction

The Construction Manager shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, or phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities and procurement and construction scheduling issues.

#### § 2.1.5 Preliminary Cost Estimates

§ 2.1.5.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume or similar conceptual estimating techniques for the Architect's review and Owner's approval. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 2.1.5.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, estimates of the Cost of the Work of increasing detail and refinement and allowing for the further development of the design until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. Such estimates shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect when estimates of the Cost of the Work exceed the latest approved Project budget and make recommendations for corrective action.

#### § 2.1.6 Subcontractors and Suppliers

The Construction Manager shall develop bidders' interest in the Project.

§ 2.1.7 The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered well in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered well in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

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**§ 2.1.8 Extent of Responsibility**

The Construction Manager shall exercise reasonable care in preparing schedules and estimates. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities; but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

**§ 2.1.9 Notices and Compliance with Laws**

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi governmental authorities for inclusion in the Contract Documents.

**§ 2.2 Guaranteed Maximum Price Proposal and Contract Time**

**§ 2.2.1** At a time to be mutually agreed upon by the Owner and the Construction Manager and in consultation with the Architect, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, including contingencies described in Section 2.2.4, and the Construction Manager's Fee.

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

**§ 2.2.3** The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- 1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- 2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 2.2.2, to supplement the information provided by the Owner and contained in the Drawings and Specifications;
- 3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, allowances, contingency, and the Construction Manager's Fee;
- 4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- 5 A date by which the Owner must accept the Guaranteed Maximum Price.

**§ 2.2.4** In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include its contingency for the Construction Manager's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order.

**§ 2.2.5** The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner and Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

**§ 2.2.6** If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The

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Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 2.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the commencement of the Construction Phase, unless the Owner provides prior written authorization for such costs.

§ 2.2.8 The Owner shall authorize the Architect to provide the revisions to the Drawings and Specifications to incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish those revised Drawings and Specifications to the Construction Manager as they are revised. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Drawings and Specifications.

§ 2.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

### § 2.3 Construction Phase

#### § 2.3.1 General

§ 2.3.1.1 For purposes of Section 8.1.2 of A201-2007, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 2.3.1.2 The Construction Phase shall commence upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal or the Owner's issuance of a Notice to Proceed, whichever occurs earlier.

#### § 2.3.2 Administration

§ 2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Construction Manager and the Architect, which bids will be accepted. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 2.3.2.2 If the Guaranteed Maximum Price has been established and when a specific bidder (1) is recommended to the Owner by the Construction Manager, (2) is qualified to perform that portion of the Work, and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount and time requirement of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 2.3.2.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If the Subcontract is awarded on a cost plus a fee basis, the Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Section 6.11 below.

§ 2.3.2.4 If the Construction Manager recommends a specific bidder that may be considered a "related party" according to Section 6.10, then the Construction Manager shall promptly notify the Owner in writing of such relationship and notify the Owner of the specific nature of the contemplated transaction, according to Section 6.10.2.

§ 2.3.2.5 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner and Architect.

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§ 2.3.2.6 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and submittal schedule in accordance with Section 3.10 of A201-2007.

§ 2.3.2.7 The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner. The Construction Manager shall also keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 2.3.2.8 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 2.3.2.7 above.

#### § 2.4 Professional Services

Section 3.12.10 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### § 2.5 Hazardous Materials

Section 10.3 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

### ARTICLE 3 OWNER'S RESPONSIBILITIES

#### § 3.1 Information and Services Required of the Owner

§ 3.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems sustainability and site requirements.

§ 3.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Construction Manager may only request such evidence if (1) the Owner fails to make payments to the Construction Manager as the Contract Documents require, (2) a change in the Work materially changes the Contract Sum, or (3) the Construction Manager identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Construction Manager and Architect.

§ 3.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1.1, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 3.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 3.1.4.1 The Owner shall furnish tests, inspections and reports required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

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§ 3.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 3.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 3.1.4.4 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

### § 3.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2007, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 3.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

### § 3.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B103™-2007, Standard Form of Agreement Between Owner and Architect, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and the Architect, and any further modifications to the agreement.

## ARTICLE 4 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

### § 4.1 Compensation

§ 4.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager as follows:

§ 4.1.2 For the Construction Manager's Preconstruction Phase services described in Sections 2.1 and 2.2:  
*(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)*

\$3,500 per the Proposal

§ 4.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within five (5) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 4.1.4 Compensation based on Direct Personnel Expense includes the direct salaries of the Construction Manager's personnel providing Preconstruction Phase services on the Project and the Construction Manager's costs for the mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

### § 4.2 Payments

§ 4.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

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§ 4.2.2. Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid thirty ( 30 ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.  
(Insert rate of monthly or annual interest agreed upon.)

Wall Street Journal Prime Rate +2%

#### ARTICLE 5 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 5.1 For the Construction Manager's performance of the Work as described in Section 2.3, the Owner shall pay the Construction Manager the Contract Sum in current funds. The Contract Sum is the Cost of the Work as defined in Section 6.1.1 plus the Construction Manager's Fee.

§ 5.1.1 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

0.85%

§ 5.1.2 The method of adjustment of the Construction Manager's Fee for changes in the Work:

0%

§ 5.1.3 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

N/A

§ 5.1.4 Rental rates for Construction Manager-owned equipment shall not exceed N/A percent ( N/A %) of the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

§ 5.2 Guaranteed Maximum Price

§ 5.2.1 The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the Construction Manager shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner.  
(Insert specific provisions if the Construction Manager is to participate in any savings.)

Per Exhibit A - GMP Proposal / Schedule / Scope Clarifications

§ 5.2.2 The Guaranteed Maximum Price is subject to additions and deductions by Change Order as provided in the Contract Documents and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

§ 5.3 Changes in the Work

§ 5.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Architect may make minor changes in the Work as provided in Section 7.4 of AIA Document A201-2007, General Conditions of the Contract for Construction. The Construction Manager shall be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

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§ 5.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 5.3.3 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201-2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201-2007 shall have the meanings assigned to them in AIA Document A201-2007 and shall not be modified by Sections 5.1 and 5.2, Sections 6.1 through 6.7, and Section 6.8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 5.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201-2007 shall mean the Cost of the Work as defined in Sections 6.1 to 6.7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 5.1 of this Agreement.

§ 5.3.5 If no specific provision is made in Section 5.1.2 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1.2 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

## ARTICLE 6 COST OF THE WORK FOR CONSTRUCTION PHASE

### § 6.1 Costs to Be Reimbursed

§ 6.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in Sections 6.1 through 6.7.

§ 6.1.2 Where any cost is subject to the Owner's prior approval, the Construction Manager shall obtain this approval prior to incurring the cost. The parties shall endeavor to identify any such costs prior to executing Guaranteed Maximum Price Amendment.

### § 6.2 Labor Costs

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

§ 6.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's prior approval.

*(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal or other offices shall be included in the Cost of the Work, identify in Section 11.5, the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)*

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

§ 6.2.4 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 6.2.1 through 6.2.3.

§ 6.2.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, with the Owner's prior approval.

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**§ 6.3 Subcontract Costs**

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

**§ 6.4 Costs of Materials and Equipment Incorporated in the Completed Construction**

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

**§ 6.4.2** Costs of materials described in the preceding Section 6.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

**§ 6.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items**

**§ 6.5.1** Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

**§ 6.5.2** Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Construction Manager-owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

**§ 6.5.3** Costs of removal of debris from the site of the Work and its proper and legal disposal.

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

**§ 6.5.5** That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

**§ 6.5.6** Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

**§ 6.6 Miscellaneous Costs**

**§ 6.6.1** Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

**§ 6.6.2** Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Construction Manager is liable.

**§ 6.6.3** Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

**§ 6.6.4** Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201-2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 6.7.3.

**§ 6.6.5** Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs

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of legal defenses, judgments and settlements shall not be included in the calculation of the Construction Manager's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201-2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 6.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner's prior approval.

§ 6.6.7 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 6.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 6.6.9 Subject to the Owner's prior approval, expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work.

#### § 6.7 Other Costs and Emergencies

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

§ 6.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201-2007.

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

§ 6.7.4 The costs described in Sections 6.1 through 6.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201-2007 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 6.8.

#### § 6.8 Costs Not To Be Reimbursed

§ 6.8.1 The Cost of the Work shall not include the items listed below:

- 1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 6.2, or as may be provided in Article 11;
- 2 Expenses of the Construction Manager's principal office and offices other than the site office;
- 3 Overhead and general expenses, except as may be expressly included in Sections 6.1 to 6.7;
- 4 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- 5 Except as provided in Section 6.7.3 of this Agreement, costs due to the negligence or failure of the Construction Manager, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- 6 Any cost not specifically and expressly described in Sections 6.1 to 6.7;
- 7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- 8 Costs for services incurred during the Preconstruction Phase.

#### § 6.9 Discounts, Rebates and Refunds

§ 6.9.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and

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amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 6.9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 6.9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

#### § 6.10 Related Party Transactions

§ 6.10.1 For purposes of Section 6.10, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Construction Manager; any entity in which any stockholder in, or management employee of, the Construction Manager owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Construction Manager. The term "related party" includes any member of the immediate family of any person identified above.

§ 6.10.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3. If the Owner fails to authorize the transaction, the Construction Manager shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Sections 2.3.2.1, 2.3.2.2 and 2.3.2.3.

#### § 6.11 Accounting Records

The Construction Manager shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

### ARTICLE 7 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

#### § 7.1 Progress Payments

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

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

30<sup>th</sup> of each month.

§ 7.1.3 Provided that an Application for Payment is received by the Architect not later than the 30<sup>th</sup> day of a month, the Owner shall make payment of the certified amount to the Construction Manager not later than the 20<sup>th</sup> day of the next month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than thirty ( 30 ) days after the Architect receives the Application for Payment.

*(Federal, state or local laws may require payment within a certain period of time.)*

§ 7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, less that portion of those

payments attributable to the Construction Manager's Fee, plus payrolls for the period covered by the present Application for Payment.

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

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

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

- 1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201-2007;
- 2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- 3 Add the Construction Manager's Fee, less retainage of ten percent ( 10 %). The Construction Manager's Fee shall be computed upon the Cost of the Work at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- 4 Subtract retainage of ten percent ( 10 %) from that portion of the Work that the Construction Manager self-performs;
- 5 Subtract the aggregate of previous payments made by the Owner;
- 6 Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Section 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- 7 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 7.1.8 The Owner and Construction Manager shall agree upon (1) a mutually acceptable procedure for review and approval of payments to Subcontractors and (2) the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 7.1.9 Except with the Owner's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 7.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

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§ 7.2 Final Payment

§ 7.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract except for the Construction Manager's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

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

30 Days after substantial completion or final invoice.

§ 7.2.2 The Owner's auditors will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager. Based upon such Cost of the Work as the Owner's auditors report to be substantiated by the Construction Manager's final accounting, and provided the other conditions of Section 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's auditors, either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201-2007. The time periods stated in this Section supersede those stated in Section 9.4.1 of the AIA Document A201-2007. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 7.2.3 If the Owner's auditors report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Section 15.2 of A201-2007. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 7.2.4 If, subsequent to final payment and at the Owner's request, the Construction Manager incurs costs described in Section 6.1.1 and not excluded by Section 6.8 to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager such costs and the Construction Manager's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings as provided in Section 5.2.1, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Construction Manager.

ARTICLE 8 INSURANCE AND BONDS

For all phases of the Project, the Construction Manager and the Owner shall purchase and maintain insurance, and the Construction Manager shall provide bonds as set forth in Article 11 of AIA Document A201-2007.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)

Type of Insurance or Bond	Limit of Liability or Bond Amount (\$0.00)
Exhibit C - Certificate of Insurance	Exhibit C - Certificate of Insurance

ARTICLE 9 DISPUTE RESOLUTION

§ 9.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 9 and Article 15 of A201-2007. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 9.3 of this Agreement shall not apply.

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§ 9.2 For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

Arbitration pursuant to Section 15.4 of AIA Document A201-2007

Litigation in a court of competent jurisdiction

Other: *(Specify)*

### § 9.3 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

## ARTICLE 10 TERMINATION OR SUSPENSION

### § 10.1 Termination Prior to Establishment of the Guaranteed Maximum Price

§ 10.1.1 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Section 14.1.1 of A201-2007.

§ 10.1.2 In the event of termination of this Agreement pursuant to Section 10.1.1, the Construction Manager shall be equitably compensated for Preconstruction Phase services performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 4.1.

§ 10.1.3 If the Owner terminates the Contract pursuant to Section 10.1.1 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 10.1.2:

1. Take the Cost of the Work incurred by the Construction Manager to the date of termination;
2. Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
3. Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager which the Owner elects to retain and which is not otherwise included in the Cost of the Work under Section 10.1.3.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 10, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction

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Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

#### § 10.2 Termination Subsequent to Establishing Guaranteed Maximum Price

Following execution of the Guaranteed Maximum Price Amendment and subject to the provisions of Section 10.2.1 and 10.2.2 below, the Contract may be terminated as provided in Article 14 of AIA Document A201-2007.

§ 10.2.1 If the Owner terminates the Contract after execution of the Guaranteed Price Amendment, the amount payable to the Construction Manager pursuant to Sections 14.2 and 14.4 of A201-2007 shall not exceed the amount the Construction Manager would otherwise have received pursuant to Sections 10.1.2 and 10.1.3 of this Agreement.

§ 10.2.2 If the Construction Manager terminates the Contract after execution of the Guaranteed Maximum Price Amendment, the amount payable to the Construction Manager under Section 14.1.3 of A201-2007 shall not exceed the amount the Construction Manager would otherwise have received under Sections 10.1.2 and 10.1.3 above, except that the Construction Manager's Fee shall be calculated as if the Work had been fully completed by the Construction Manager, utilizing as necessary a reasonable estimate of the Cost of the Work for Work not actually completed.

#### § 10.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007. In such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201-2007, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 5.1 and 5.3.5 of this Agreement.

### ARTICLE 11 MISCELLANEOUS PROVISIONS

§ 11.1 Terms in this Agreement shall have the same meaning as those in A201-2007.

#### § 11.2 Ownership and Use of Documents

Section 1.5 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### § 11.3 Governing Law

Section 13.1 of A201-2007 shall apply to both the Preconstruction and Construction Phases.

#### § 11.4 Assignment

The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement. Except as provided in Section 13.2.2 of A201-2007, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 11.5 Other provisions:

### ARTICLE 12 SCOPE OF THE AGREEMENT


§ 12.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 12.2 The following documents comprise the Agreement:


- .1 AIA Document A133-2009, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A201-2007, General Conditions of the Contract for Construction
- .3 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, or the following:
  
- .4 AIA Document E202™-2008, Building Information Modeling Protocol Exhibit, if completed, or the following:
  
- .5 Other documents:  
(List other documents, if any, forming part of the Agreement.)

Exhibit B - Document Listing

This Agreement is entered into as of the day and year first written above.

  
OWNER (Signature)

Mickey McNamara  
(Printed name and title)

  
CONSTRUCTION MANAGER (Signature)

Justin Brown, Executive Vice President  
(Printed name and title)



**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT H**

**APPROVED PRIOR EXPENDITURES**

None

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT I**

**PERMITTED LIENS**

1. Liens or encumbrances against the Property (and related improvements):

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 Developer or the Project, other than liens against the Property (and related improvements), if any:

NONE

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT J**

**FORM OF OPINION OF DEVELOPER'S COUNSEL**

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

\_\_\_\_\_, 2013

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to JMC Steel Group, Inc., a Delaware corporation (the "Developer"), in connection with the construction of certain improvements on the property located at 227 W. Monroe Street located in the LaSalle Central 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) JMC STEEL GROUP, INC Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) 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 each of Developer's (i) Certificate of Incorporation, as amended to date, (ii) By-Laws, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of 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. Developer is a corporation company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization 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. 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, Developer's Certificate of Incorporation or By-Laws 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 Developer is a party or by which 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 Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.

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 Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of 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 the equity of Developer and the number of equity interests held by each 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 equity of Developer. Each outstanding equity interest of Developer is duly authorized, validly issued, fully paid and non-assessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by 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, 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 Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which 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 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 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, 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 or the laws of the State of Illinois.

This opinion is issued at 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: \_\_\_\_\_

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT K**

**RESERVED**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 16, 2013

**EXHIBIT L**

**FORM OF PAYMENT AND PERFORMANCE BOND**

A form of payment and performance bond is attached to this exhibit cover sheet.

# CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of \_\_\_\_\_ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 199 \_\_\_\_\_

The Condition of the Above Obligation is such, That whereas the above

undersigned Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19\_\_\_\_ for \_\_\_\_\_

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and there shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.



And it is hereby expressly understood and agreed, and made a condition hereof, that any judgment rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgments, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgment thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this litigation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless execution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no office of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms or conditions of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

\_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
Purchasing Agent  
\_\_\_\_\_ (Seal)  
Approved as to form and legality: \_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
Assistant Corporation Counsel

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT M**

**RESERVED**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**JMC STEEL GROUP, INC**

Redevelopment Agreement  
dated as of November 15, 2013

**EXHIBIT N**

**CITY FUNDS REQUISITION FORM**

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.

REQUISITION FORM

STATE OF ILLINOIS )  
  ) SS  
COUNTY OF COOK     )

The affiant, JMC STEEL GROUP, INC., a Delaware corporation, (the "**Developer**"), hereby certifies that with respect to that certain JMC Steel Group, Inc. Redevelopment Agreement between the Developer and the City of Chicago dated as of \_\_\_\_\_, 2013 (the "**Redevelopment Agreement**"):

A. Expenditures for the Project, in the total amount of \$ \_\_\_\_\_, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ \_\_\_\_\_

C. The Developer requests reimbursement for the following cost of TIF-Funded Improvements:

\$ \_\_\_\_\_

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

2. No event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein has the meanings given such terms in the Redevelopment Agreement.

JMC STEEL GROUP, INC., a Delaware  
corporation

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

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_

My commission expires: \_\_\_\_\_

(This space reserved for Recorder's use only)

**DRAFT**  
**30 May 2013**

**DEVRY INC.**  
**ON-LINE OPERATIONS FACILITY PROJECT**  
**TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

**LASALLE CENTRAL**  
**REDEVELOPMENT PROJECT AREA**

**DEVRY INC.**  
**REDEVELOPMENT AGREEMENT**

DATED AS OF June 19, 2013

BY AND BETWEEN

THE CITY OF CHICAGO

AND

DEVRY INC.,  
a Delaware corporation

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

LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA

DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT  
REDEVELOPMENT AGREEMENT

TABLE OF CONTENTS

	PAGE
ARTICLE ONE: INCORPORATION OF RECITALS .....	3
ARTICLE TWO: DEFINITIONS.....	3
ARTICLE THREE: THE PROJECT.....	4
<u>3.01 The Project</u> .....	4
<u>3.02 Scope Drawings and Plans and Specifications</u> .....	4
<u>3.03 Project Budget</u> .....	4
<u>3.04 Change Orders</u> .....	4
<u>3.05 HED Approval</u> .....	5
<u>3.06 Other Approvals</u> .....	5
<u>3.07 Progress Reports</u> .....	5
<u>3.08 Inspecting Agent or Architect</u> .....	5
<u>3.09 Barricades</u> .....	6
<u>3.10 Signs and Public Relations</u> .....	6
<u>3.11 Utility Connections</u> .....	6
<u>3.12 Permit Fees</u> .....	6
<u>3.13 Accessibility for Disabled Persons</u> .....	6
<u>3.14 Additional Project Features</u> .....	6
ARTICLE FOUR: FINANCING .....	7
<u>4.01 Total Project Cost and Sources of Funds</u> .....	7
<u>4.02 Developer Funds</u> .....	7
<u>4.03 City Funds</u> .....	7
<u>4.04 Sale or Transfer of the Project by Developer</u> .....	10
<u>4.05 Treatment of Prior Expenditures/Administration Fee</u> .....	11
<u>4.06 Cost Overruns</u> .....	11
<u>4.07 TIF Bonds</u> .....	11
<u>4.08 Preconditions of Disbursement</u> .....	12
ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING.....	12
<u>5.01 Project Budget</u> .....	12
<u>5.02 Scope Drawings and Plans and Specifications</u> .....	13
<u>5.03 Other Governmental Approvals</u> .....	13
<u>5.04 Financing</u> .....	13
<u>5.05 Lease and Title</u> .....	13
<u>5.06 Evidence of Clear Title</u> .....	13

<u>5.07</u>	<u>Surveys</u> .....	14
<u>5.08</u>	<u>Insurance</u> .....	14
<u>5.09</u>	<u>Opinion of Developer's Counsel</u> .....	14
<u>5.10</u>	<u>Evidence of Prior Expenditures</u> .....	14
<u>5.11</u>	<u>Financial Statements</u> .....	14
<u>5.12</u>	<u>Additional Documentation</u> .....	14
<u>5.13</u>	<u>Environmental Reports</u> .....	15
<u>5.14</u>	<u>Entity Documents; Economic Disclosure Statement</u> .....	15
<u>5.15</u>	<u>Litigation</u> .....	15
<u>5.16</u>	<u>Lease</u> .....	16
<b>ARTICLE SIX: AGREEMENTS WITH CONTRACTORS</b> .....		16
<u>6.01</u>	<u>Bid Requirement for General Contractor and Subcontractors</u> .....	16
<u>6.02</u>	<u>Construction Contract</u> .....	16
<u>6.03</u>	<u>Performance and Payment Bonds</u> .....	17
<u>6.04</u>	<u>Employment Opportunity</u> .....	17
<u>6.05</u>	<u>Other Provisions</u> .....	17
<b>ARTICLE SEVEN: COMPLETION OF CONSTRUCTION</b> .....		17
<u>7.01</u>	<u>Certificate of Completion of Construction</u> .....	17
<u>7.02</u>	<u>Effect of Issuance of Certificate; Continuing Obligations</u> .....	17
<u>7.03</u>	<u>Failure to Complete</u> .....	18
<u>7.04</u>	<u>Notice of Expiration or Termination</u> .....	18
<b>ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER</b> .....		18
<u>8.01</u>	<u>General</u> .....	18
<u>8.02</u>	<u>Covenant to Redevelop</u> .....	20
<u>8.03</u>	<u>Redevelopment Plan</u> .....	21
<u>8.04</u>	<u>Use of City Funds</u> .....	21
<u>8.05</u>	<u>Other Bonds</u> .....	21
<u>8.06</u>	<u>Employment Opportunity</u> .....	21
<u>8.07</u>	<u>Employment Profile</u> .....	21
<u>8.08</u>	<u>Prevailing Wage</u> .....	22
<u>8.09</u>	<u>Arms-Length Transactions</u> .....	22
<u>8.10</u>	<u>Financial Statements and Review</u> .....	22
<u>8.11</u>	<u>Insurance</u> .....	22
<u>8.12</u>	<u>Non-Governmental Charges</u> .....	22
<u>8.13</u>	<u>Developer's Liabilities</u> .....	23
<u>8.14</u>	<u>Compliance with Laws</u> .....	23
<u>8.15</u>	<u>Recording and Filing</u> .....	24
<u>8.16</u>	<u>Real Estate Provisions</u> .....	24
<u>8.17</u>	<u>Job Recruitment, Training and Hiring Plan</u> .....	26
<u>8.18</u>	<u>Occupancy, Operations and Land Use Covenants</u> .....	26
<u>8.19</u>	<u>Job Requirements</u> .....	27
<u>8.20</u>	<u>Annual Compliance Report</u> .....	28



<u>8.21</u>	<u>Reserved</u>	28
<u>8.22</u>	<u>Broker's Fees</u>	28
<u>8.23</u>	<u>No Conflict of Interest</u>	28
<u>8.24</u>	<u>Disclosure of Interest</u>	29
<u>8.25</u>	<u>No Business Relationship with City Elected Officials</u>	29
<u>8.26</u>	<u>Inspector General</u>	29
<u>8.27</u>	<u>Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4</u>	29
<u>8.28</u>	<u>Shakman Accord</u>	32
<u>8.29</u>	<u>FOIA and Local Records Act Compliance</u>	32
<u>8.30</u>	<u>Material Amendment to Lease/Lease Transfer</u>	32
<u>8.31</u>	<u>Survival of Covenants</u>	32
<b>ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY</b>		
		33
<u>9.01</u>	<u>General Covenants</u>	33
<u>9.02</u>	<u>Survival of Covenants</u>	33
<b>ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS</b>		
		33
<u>10.01</u>	<u>Employment Opportunity</u>	33
<u>10.02</u>	<u>City Resident Construction Worker Employment Requirement</u>	34
<u>10.03</u>	<u>Developer's MBE/WBE Commitment</u>	36
<b>ARTICLE ELEVEN: ENVIRONMENTAL MATTERS</b>		
		38
<u>11.01</u>	<u>Environmental Matters</u>	38
<b>ARTICLE TWELVE: INSURANCE</b>		
		39
<u>12.01</u>	<u>Insurance Requirements</u>	39
<b>ARTICLE THIRTEEN: INDEMNIFICATION</b>		
		39
<u>13.01</u>	<u>General Indemnity</u>	39
<b>ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT</b>		
		40
<u>14.01</u>	<u>Books and Records</u>	40
<u>14.02</u>	<u>Inspection Rights</u>	40
<b>ARTICLE FIFTEEN: DEFAULT AND REMEDIES</b>		
		41
<u>15.01</u>	<u>Events of Default</u>	41
<u>15.02</u>	<u>Remedies</u>	42
<u>15.03</u>	<u>Curative Period</u>	43
<b>ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT</b>		
		43
<u>16.01</u>	<u>Mortgaging of the Project</u>	43
<b>ARTICLE SEVENTEEN: NOTICES</b>		
		44
<u>17.01</u>	<u>Notices</u>	44
<u>17.02</u>	<u>Developer Requests for City or HED Approval</u>	45
<b>ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS</b>		
		46
<u>18.01</u>	<u>Amendments</u>	46
<u>18.02</u>	<u>Complete Agreement, Construction, Modification</u>	46
<u>18.03</u>	<u>Limitation of Liability</u>	46
<u>18.04</u>	<u>Further Assurances</u>	47
<u>18.05</u>	<u>Waivers</u>	47

<u>18.06</u>	<u>Remedies Cumulative</u> .....	47
<u>18.07</u>	<u>Parties in Interest/No Third Party Beneficiaries</u> .....	47
<u>18.08</u>	<u>Titles and Headings</u> .....	47
<u>18.09</u>	<u>Counterparts</u> .....	47
<u>18.10</u>	<u>Counterpart Facsimile Execution</u> .....	47
<u>18.11</u>	<u>Severability</u> .....	48
<u>18.12</u>	<u>Conflict</u> .....	48
<u>18.13</u>	<u>Governing Law</u> .....	48
<u>18.14</u>	<u>Form of Documents</u> .....	48
<u>18.15</u>	<u>Assignment</u> .....	48
<u>18.16</u>	<u>Binding Effect</u> .....	48
<u>18.17</u>	<u>Force Majeure</u> .....	48
<u>18.18</u>	<u>Exhibits and Schedules</u> .....	49
<u>18.19</u>	<u>Business Economic Support Act</u> .....	49
<u>18.20</u>	<u>Approval</u> .....	49
<u>18.21</u>	<u>Construction of Words</u> .....	49
<u>18.22</u>	<u>Date of Performance</u> .....	50
<u>18.23</u>	<u>Survival of Agreements</u> .....	50
<u>18.24</u>	<u>Equitable Relief</u> .....	50
<u>18.25</u>	<u>Venue and Consent to Jurisdiction</u> .....	50
<u>18.26</u>	<u>Costs and Expenses</u> .....	50

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT  
REDEVELOPMENT AGREEMENT**

**LIST OF SCHEDULES AND EXHIBITS**

Schedules

Schedule A	Definitions
Schedule B	Insurance Requirements

Exhibits

Exhibit A	*Redevelopment Area Legal Description
Exhibit B-1	*Legal Description of the Building/Property
Exhibit B-2	Site Plan for the Project / On-line Operations Facility
Exhibit C	Redevelopment Plan
Exhibit D-1	*Project Budget
Exhibit D-2	*Construction (MBE/WBE) Budget
Exhibit E	Schedule of TIF-Funded Improvements
Exhibit F	Reserved
Exhibit G	Construction Contract
Exhibit H	Approved Prior Expenditures
Exhibit I	Permitted Liens
Exhibit J	Opinion of Developer's Counsel
Exhibit K	Reserved
Exhibit L	Form of Payment and Performance Bond
Exhibit M	Reserved
Exhibit N	City Funds Requisition Form

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

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

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

This space reserved for Recorder's use only

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT  
LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
REDEVELOPMENT AGREEMENT**

This DeVry Inc. Redevelopment Agreement (the "**Agreement**") is made as of this 19<sup>th</sup> day of June, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), and DeVry Inc., a Delaware corporation ("**Developer**").

**RECITALS:**

**A. Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), 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 and 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 through the use of tax increment allocation financing for redevelopment projects.

C. **City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on November 15, 2006, and amended and corrected the ordinances on February 7, 2007 and May 9, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the LaSalle Central Redevelopment Project Area" (the "**Plan Adoption Ordinance**"); (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**"). Collectively the three ordinances are defined as the "**TIF Ordinances**". The redevelopment project area (the "**Redevelopment Area**") is legally described in Exhibit A.

D. **The Project:** Developer, the parent organization, through DeVry University and other Affiliated schools is a global provider of education services. They offer a wide array of programs in business, health care and technology. Developer's institutions serve students in secondary through post-secondary education and professionals in accounting and finance. Developer currently has approximately 400 employees at three different locations in Chicago.

Developer plans to relocate its on-line operations from its existing facility at 3300 N. Campbell Street to 300 S. Riverside Plaza, (the "**Building**" or the "**Property**") and has requested TIF assistance from HED in support of the relocation. Developer will covenant to keep its on-line operations at the Building for a minimum of 10 years. A legal description of the Building/Property is Exhibit B-1.

Developer has entered into an 11-year lease (the "**Lease**") for a total of 77,000 square feet, with 53,000 square feet on the 7<sup>th</sup> floor and 24,000 square feet on the 8<sup>th</sup> floor of the Building. The leased space will be built-out for use as Developer's on-line operations facility. A site plan for the on-line operations facility is at Exhibit B-2. Developer contemplates constructing substantial tenant improvements to build-out the on-line operations facility. All construction will be LEED certified for Commercial Interiors (as defined below). Construction and build-out of 53,000 square feet on the 7<sup>th</sup> Floor for use as Developer's on-line operations facility at the Building is defined as the "**Project**". The definition of "**Project**" will include construction and build-out of the 24,000 square feet on the 8<sup>th</sup> Floor of the Building when it occurs.

Developer plans to relocate 150 Full-Time Equivalent Employees ("**FTE**") from other facilities to the Building. Developer will covenant to increase the total number of FTEs in the Building to 600 by the end of 2021.

**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 Finance Program Redevelopment Plan and Project (the "**Redevelopment Plan**") attached as Exhibit C, as amended from time-to-time, included in the Plan Adoption Ordinance and published at pages 92019 to 92114 of the Journal of the Proceedings of the City Council for November 15, 2006.

**F. City Financing and Assistance:** Subject to Developer fulfilling its obligations under this Agreement required to obligate the City to do so, the City will make cash payments to Developer, in the amounts stated in Section 4.03, to reimburse Developer out of Available Incremental Taxes (as defined below) as provided in this Agreement for the costs of the TIF-Funded Improvements (as defined below) under 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 (as defined below) as provided in a TIF bond ordinance (the "**TIF Bond Ordinance**"), at a later date as described and conditioned in Section 4.07. The proceeds of the TIF Bonds (the "**TIF Bond Proceeds**") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

## **AGREEMENT:**

### **ARTICLE ONE: INCORPORATION OF RECITALS**

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### **ARTICLE TWO: DEFINITIONS**

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

### ARTICLE THREE: THE PROJECT

3.01 **The Project.** Developer will: (i) begin redevelopment construction on or about June 1, 2013, and (ii) complete redevelopment construction no later than March 1, 2013 (for the 7<sup>th</sup> Floor – 53,000 square feet), subject to: (a) the provisions of Section 18.17 (Force Majeure); and (b) the receipt of all applicable permits and Project approvals.

3.02 **Scope Drawings and Plans and Specifications.** Developer has delivered the Scope Drawings and Plans and Specifications to HED and HED has approved them or HED has agreed to approve them as a post-closing item promptly upon receipt. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to HED as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to 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.** Developer has furnished to HED, and HED has approved, a Project Budget which is at Exhibit D-1, showing total costs for the Project (7<sup>th</sup> Floor) in an amount not less than \$6,550,883. Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project (7<sup>th</sup> Floor) costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to HED copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

#### 3.04 **Change Orders.**

(a) Except as provided in subparagraph (b) below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to HED concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to HED for HED's prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project (7<sup>th</sup> Floor) from the square footage approved by HED under Section 3.02, or (ii) a change in the primary use of the Project (7<sup>th</sup> Floor), or (iii) a delay in the Project (7<sup>th</sup> Floor) completion date, or (iv) change orders resulting in an aggregate increase to the Project Budget of 10% or more. Developer will not authorize or permit the performance of any work relating to any Change Order requiring HED's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect or for

compliance with this Agreement generally. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those stated in Subsection (a) above do not require HED's prior written approval as stated in this Section 3.04, but HED must be notified in writing of all such Change Orders within 10 Business Days after the execution of such change order, and Developer, in connection with such notice, must identify to HED the source of funding therefor in the progress reports described in Section 3.07.

3.05 **HED Approval.** Any approval granted by HED under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only, and any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval, nor does any such approval by HED under this Agreement constitute approval of the utility, quality, structural soundness, safety, habitability, or investment quality of the Project. Developer will not make any verbal or written representation to anyone to the contrary. Unless waived by HED, Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.06 **Other Approvals.** Any HED approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 **Progress Reports.** After the Closing Date, on or before the 15th day of each reporting month, Developer will provide HED with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring HED's written approval under Section 3.04). Developer must also deliver to the City written monthly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's MBE/WBE Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to HED to address and cure such shortfall.

3.08 **Inspecting Agent or Architect.** An independent agent or architect, if any, (other than Developer's architect) selected by the lender providing Lender Financing, will also act as the inspecting agent or architect for HED for the Project, and any fees and expenses connected



with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by Developer. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project.

3.09 **Barricades.** Prior to commencing any construction requiring barricades, Developer will install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Developer or the Project).

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

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

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

3.13 **Accessibility for Disabled Persons.** Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and improvements on the Property will be reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 **Additional Project Features**

(a) **LEED Construction.** All construction of the Project, including but not limited to building construction, green space and surface parking, if any, shall be built to a minimum Leadership in Energy and Environmental Design ("LEED"), Civ2 Standard (Commercial Interiors, Version 2) ("LEED-Civ2"). The Project was registered with the US Green Building

Council ("USGBC") for the required certification on November 14, 2011. The Project shall be constructed in compliance with all guidelines and requirements as delineated by the USGBC mandated for the LEED-Civ2 standard. Upon completion of construction, Developer, at Developer's cost, shall have all features of construction pertinent to LEED certification tested and certified as being compliant with the LEED-Civ2 standard. Developer will submit written evidence from the USGBC demonstrating compliance with the required LEED certification.

#### ARTICLE FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$6,550,883 to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to <u>Section 4.06</u> ) and Lender Financing, if any	\$6,550,883
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ESTIMATED TOTAL	\$6,550,883
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4.02 **Developer Funds.** Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of TIF-Funded Improvements. All Project costs will be front-funded by Developer.

4.03 **City Funds.**

(a) **Uses of City Funds.**

(i) Any funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements are defined as "City Funds".

(ii) City Funds may be used to reimburse Developer only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E states, by line item, the TIF-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs and their respective eligibility as a Redevelopment Project Cost.

(b) **Sources of City Funds.**

(i) Subject to the terms, conditions and qualifications in this Agreement, the City, through its Department of Housing and Economic Development, agrees to provide reimbursement to Developer from Available Incremental Taxes for certain TIF-Funded Improvements, in cash in the total amount of the lesser of \$1,000,000 or 15.3% of the total Project Budget of \$6,550,883 in ten (10) level installments;

(ii) The reimbursement program has ten (10) installment payments and is subject to Developer satisfying all of the conditions scheduled below:

(A) Certificate Requirements Developer has attained and the City has issued a certificate of completion (“Certificate”) for the Project. The City will issue the Certificate only upon Developer’s full compliance with all of the following benchmarks:

1. Completion of Project Completion of the Project as described in this Agreement.

2. Compliance with Building Permit Developer has obtained a certificate of occupancy for the Project (53,000 square feet), or has provided HED with evidence acceptable to HED in form and substance that Developer has complied with its building permit requirements for the Project.

3. Compliance with City Requirements Developer has obtained a compliance letter from the City’s Monitoring and Compliance Unit determining that Developer and the Project have complied with all City Requirements.

4. Employment Developer has employed not less than 150 FTEs located at the on-line operations facility at the Building. Developer will provide evidence acceptable to HED supporting FTE headcount.

5. Total Project Costs Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting total Project costs. Developer will engage a third party to certify total Project costs and such third party will provide HED with an affidavit.

6. TIF - Funded Improvements Developer has received written notice from HED reporting that HED has reviewed and accepted Developer’s financial information and other materials supporting the costs of TIF-Funded Improvements in an amount equal to or greater than the total amount of City Funds.

7. LEED Evidence Developer has provided HED with evidence that Developer has registered the Project with the USGBC and is in the process of obtaining a LEED-Civ2 Certification.

(iii) The City will pay the following amounts to Developer under the following schedule:

Payment	Term	Amount*
First Payment	At Certificate	\$100,000
Second Annual Payment	1 Year after Certificate	\$100,000
Third Annual Payment	2 Years after Certificate	\$100,000
Fourth Annual Payment	3 Years after Certificate	\$100,000
Fifth Annual Payment	4 Years after Certificate	\$100,000
Sixth Annual Payment	5 Years after Certificate	\$100,000
Seventh Annual Payment	6 Years after Certificate	\$100,000
Eighth Annual Payment	7 Years after Certificate	\$100,000
Ninth Annual Payment	8 Years after Certificate	\$100,000
Tenth / Final Annual Payment	9 Years after Certificate	\$100,000

\*The actual amount of assistance may vary depending on the final certified total Project costs and the cost of TIF Funded Improvements incurred.

If, at the time the City issues the Certificate, the City in good faith believes that Developer will not achieve LEED CIV2 Certification, then the First Payment referred to above will be reduced by \$100,000, and if necessary, from successive annual payments.

If actual Project costs are below \$6,550,883, then the amount of City Funds to be paid to Developer will be recalculated and paid over ten (10) level annual payments.

(iv) Annual Payment Requirements The pre-conditions for annual payments to Developer are:

- (A) Prior issuance of the Certificate.
- (B) Developer has provided evidence in form and substance satisfactory to HED that Developer has met or exceeded the following FTE job requirements:

Year(s)	Number of Employees Riverside Plaza	Total Staff – Riverside Plaza	Total Staff Citywide
2013	150 Retained 60 Created	210	460
2013	65 Created	275	525
2014	75 Created	350	600
2015	75 Created	425	675
2016	75 Created	500	750
2017	20 Created	520	770
2018	20 Created	540	790
2019	20 Created	560	810
2020	20 Created	580	830
2021	20 Created	600	850

(C) Developer has received its LEED-Civ2 certification.

(D) Developer has submitted a City Funds Requisition Form in the form of Exhibit N (the “**Requisition Form**”).

(E) Developer has submitted its Annual Compliance Report.

4.04 **Sale or Transfer of the Project by Developer.**

(a) **At Any Time.** Developer may sell or transfer title to the Project to an Affiliate at any time, so long as Developer retains all executory obligations under this Agreement, and such Affiliate/transferee becomes a co-obligor under this Agreement with a joint and several liability joinder to this Agreement.

(b) **From the Closing Date to the Date of the Certificate.** Developer may not sell or transfer any part of the Property or Project to any non-Affiliated party, without the City’s consent, which will not be unreasonably withheld, provided, however, that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City’s then current economic disclosure forms to the City’s satisfaction, (iii) be otherwise qualified to do business with the City and (iv) demonstrate to the City’s satisfaction

that such party has financial capability to meet its obligations under this Agreement.

(c) After the Date of the Certificate. After the date of the Certificate, Developer may sell or transfer any part of the Project to non-Affiliated third parties, provided, however, that any such non-Affiliated party must: (i) agree to assume all executory obligations under the Agreement, (ii) complete the City's then current economic disclosure forms to the City's satisfaction, (iii) be otherwise qualified to do business with the City, and (iv) demonstrate to the City's satisfaction that such party has financial capability to meet its obligations under this Agreement.

(d) Sales of Assets or Equity. For purposes of this subsection, the phrase: "sale or transfer of any part of the Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Developer's assets or equity.

#### 4.05 Treatment of Prior Expenditures/Administration Fee.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**"). HED has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit H) as a Prior Expenditure as of the date of this Agreement. Exhibit H identifies the prior expenditures approved by HED as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

(b) TIF District Administration 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.

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

4.07 TIF Bonds. The Commissioner of HED may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the

then current market conditions. The proceeds of TIF Bonds may be used to pay City Funds due under this Agreement, and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne by the City. Developer will cooperate with the City in the issuance of the TIF Bonds, as provided and conditioned in Section 8.05.

4.08 **Preconditions of Disbursement.** Unless otherwise waived by the City, prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by Developer to HED of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

#### **ARTICLE FIVE: CONDITIONS PRECEDENT TO CLOSING**

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

5.01 **Project Budget.** Developer will have submitted to HED, and HED will have approved, the Project Budget stated in Exhibit D-1, in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer will have submitted to HED, and HED will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 or HED will have agreed to approve them as a post-closing item, promptly upon receipt.

5.03 **Other Governmental Approvals.** Not less than 5 Business Days prior to the Closing Date, Developer will have secured or applied for or provided HED with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to HED.

5.04 **Financing.**

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to HED a copy of the construction escrow agreement, if any, entered into by Developer regarding Developer's Lender Financing, if any. Such construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

5.05 **Lease and Title.** On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Project, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit I and will evidence the recording of this Agreement under the provisions of Section 8.15. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.0) and location. On or prior to the Closing Date, Developer will provide to HED documentation related to the Project and copies of all easements and encumbrances of record with respect to the leasehold interest in the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

Secretary of State (IL)

UCC search



Secretary of State (IL)  
Cook County Recorder  
Cook County Recorder  
Cook County Recorder  
Cook County Recorder  
Cook County Recorder  
U.S. District Court (N.D. IL)  
Clerk of Circuit Court,  
Cook County

Federal tax lien search  
UCC search  
Fixtures search  
Federal tax lien search  
State tax lien search  
Memoranda of judgments search  
Pending suits and judgments  
Pending suits and judgments

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

5.07 **Surveys.** [Intentionally omitted]

5.08 **Insurance.** Developer, at its own expense, will have insured the Project as required under Article Twelve. At least 5 Business Days prior to the Closing Date, certificates required under Article Twelve evidencing the required coverages will have been delivered to HED.

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

5.10 **Evidence of Prior Expenditures.** Not less than 20 Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to HED of the Prior Expenditures as provided in Section 4.05. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 **Financial Statements.** Not less than 30 days prior to the Closing Date, Developer will have provided Financial Statements for its 2010 and 2011 fiscal years, if available, and its most recently publicly available unaudited interim Financial Statements, in each case together with any opinions and management letters prepared by Developer's auditors for HED's inspection and review.

5.12 **Additional Documentation.** Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, Developer has met with Workforce Solutions division of HED to review employment opportunities with Developer

after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to HED, and HED has approved, the Employment Plan for the Project (the "**Employment Plan**"). The Employment Plan includes, without limitation will Developer's estimated of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as HED has requested relating to the Project.

5.13 **Environmental Reports.** Not less than 30 days prior to the Closing Date, Developer will provide HED with copies of all environmental reports or audits, if any, obtained by Developer with respect to the Project, together with any notices addressed to Developer or provided by the landlord to Developer from any agency regarding environmental issues at the Project. Prior to the Closing Date, Developer will provide the City with a letter from the environmental engineer(s) who completed such report(s) or audit(s), authorizing the City to rely on such report(s) or audit(s).

5.14 **Entity Documents; Economic Disclosure Statement.**

(a) **Entity Documents.** Developer will provide a copy of its current Certificate of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and from the Secretary of State of Illinois; current by-laws with all amendments; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

(b) **Economic Disclosure Statement.** Developer will provide the City an EDS, in the City's then current form, dated as of the Closing Date, which is incorporated by reference and Developer further will provide any other affidavits or certifications as may be required by Federal, State or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the undated EDS(s) to the City will constitute an event of default under this Agreement

5.15 **Litigation.** Developer has provided to Corporation Counsel and HED in writing, a description of all pending or threatened litigation or administrative proceedings: (a) involving the Developer's property located in the City, (b) that Developer is otherwise required to publicly disclose or that may affect the ability of Developer to perform its duties and obligations under this Agreement, or (c) involving the City or involving the payment of franchise, income, sales or

other taxes by such party to the State of Illinois or the City. In each case, the description shall specify 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 **Lease.** Complete copies of the Lease, and all other written agreements setting forth the parties' understandings related to the Developer's relocation to or occupancy of the Project and any financial agreements between the parties in any way relating to the Property, the Project or the Lease, certified by the Developer, shall have been delivered to the City.

## **ARTICLE SIX: AGREEMENTS WITH CONTRACTORS**

### **6.01 Bid Requirement for General Contractor and Subcontractors.**

(a) Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, (or any phase thereof) after the Closing Date, Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago. For the TIF-Funded Improvements, Developer must cause the General Contractor to select the subcontractor submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner; provided, however, that Developer may consider a bidder's ability to meet the unique challenges of the Project in evaluating the "lowest responsible bid" rather than the lowest bid. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. Because Developer may have entered into the Construction Contract and other related contracts prior to the date of this Agreement, HED may elect to ratify Developer's actions under this sub-section.

(b) Developer must submit copies of the Construction Contract to HED as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements must be provided to HED within 20 Business Days of the execution thereof, or such other period of time as HED shall request. Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by HED and all requisite permits have been obtained.

6.02 **Construction Contract.** Unless otherwise waived by HED, prior to the execution thereof, Developer must deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to work on the TIF-Funded Improvements under Section 6.01 above, for HED's prior written approval. Within 10 Business Days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer must

deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 **Performance and Payment Bonds.** Prior to commencement of construction of any work in the public way, if any, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the payment and performance bond form attached as Exhibit L. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 **Other Provisions.** In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's MBE/WBE Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

## ARTICLE SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.** Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, HED will issue to Developer a certificate of completion of construction in recordable form (the "Certificate") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. HED will respond to Developer's written request for a Certificate within 30 days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

### 7.02 **Effect of Issuance of Certificate; Continuing Obligations.**

(a) 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 Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term

of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.16 (Real Estate Provisions), and Section 8.18 (Occupancy, Operations and Land Use Covenants) as covenants that run with the land and the leasehold interest in the Project are the only covenants in this Agreement intended to be binding upon any transferee of the Project (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate (except with respect to Section 8.02). The other executory terms of this Agreement that remain after the issuance of a Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 **Failure to Complete.** If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available under Section 4.03, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds.

7.04 **Notice of Expiration or Termination.** Upon the expiration of the Term of the Agreement or earlier termination of this Agreement, HED will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired or the Agreement has been terminated.

## **ARTICLE EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.**

8.01 **General.** 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) Developer is a Delaware corporation, duly incorporated, validly existing, qualified to do business in Delaware and 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) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate its Certificate 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 Developer is now a party or by which Developer or any of its assets is now or may become bound;

(d) unless otherwise permitted or not prohibited under the terms of this Agreement, Developer will maintain good, indefeasible and merchantable leasehold title to the Project, (and all improvements and thereon) free and clear of all liens except for the Permitted Liens scheduled in the Title Report and incorporated in Exhibit I, or Lender Financing, if any, as disclosed in the Project Budget;

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

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

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

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

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

(j) during the Term of this Agreement, if it would adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Project (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 with respect to the Project outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity to the extent that such action would have an adverse effect on Developer's ability to perform its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

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

(l) Developer 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 under 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 Developer in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(m) neither the Developer nor any Affiliate thereof 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.

**8.02 Covenant to Redevelop.** Upon HED's approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Project in compliance with this Agreement and all exhibits attached hereto, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Project, until fulfilled as evidenced by the issuance of a Certificate.

8.03 **Redevelopment Plan.** Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 **Other Bonds.** At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) any 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 provided a source of funds for the payment for the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition (but not including proprietary sales and operating information), and assisting the City in its preparation of an offering statement with respect thereto. Developer will not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 (Prevailing Wage) and Article Ten (Developer's Employment Obligations). Developer will submit a plan to HED describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written monthly progress reports detailing compliance with the requirements of Sections 8.08 (Prevailing Wage), 10.02 (City Resident Construction Worker Employment Requirement) and 10.03 (Developer's MBE/WBE Commitment) of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to HED which will outline, to HED's satisfaction, the manner in which Developer will correct any shortfall.

8.07 **Employment Profile.** Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED's request.



8.08 **Prevailing Wage.** Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the State Department of Labor (the “**Labor Department**”), to all of their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract, or alternatively Developer will provide applicable schedules evidencing wage rates paid. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

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

8.10 **Financial Statements and Review.** After the Closing Date, on an annual basis during the Term of the Agreement, Developer will permit HED to inspect and review Developer's Financial Statements at the Project at a mutually convenient time. At the time of such inspection and review, Developer will provide a solvency letter addressed to HED and signed by Developer's Chief Financial Officer.

8.11 **Insurance.** Solely at its own expense, Developer will comply with all applicable provisions of Article Twelve (Insurance) hereof.

8.12 **Non-Governmental Charges.**

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Project (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Project 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 Charges and all interest and penalties upon the adverse determination of such contest.

8.13 Developer's Liabilities. Developer will not enter into any transaction that would materially and adversely affect its ability to: (i) perform its obligations under this Agreement or (ii) repay any material liabilities or perform any material obligations of Developer to any other person or entity. Developer will immediately notify HED of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or under any other documents and agreements.

8.14 Compliance with Laws.

(a) Representation. To Developer's knowledge, after diligent inquiry, the Project is in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project. Upon the City's request, Developer will provide evidence reasonably satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.15 **Recording and Filing.** Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Project. Such recordings shall be recorded prior to any mortgage made in connection with Lender Financing, if any. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.16 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or the Project. "**Governmental Charge**" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer or the Project, including but not limited to real estate taxes.

(ii) **Right to Contest.** 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 transfer or forfeiture of the Project. Developer's right to challenge real estate taxes applicable to the Project is limited as provided for in **Section 8.16(c)** below; **provided, that** such real estate taxes must be paid in full when due. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to HED of Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option:

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

(y) Developer will furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Project 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 Developer fails to pay or contest any Governmental Charge or to obtain discharge of the same, Developer will advise HED thereof in writing, at which time HED may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to HED by Developer. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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.

(A) Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, 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 Project below the minimum Assessor's market value applicable as of the Closing Date.

(B) After diligent inquiry, Developer knows of no pending application, appeal or request for reduction of the assessed value of all or any portion of the Project, filed by Developer or the Developer's predecessor in interest for any tax year prior to or including the tax year in which this Agreement is executed.

(iii) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "**Under Assessment Complaint**" as used in this Agreement means any complaint seeking to increase the assessed value of the Project (and related improvements).

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land. This Agreement will be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon expiration of the Term of Agreement. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.16 (c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.16(c).

**8.17 Job Recruitment, Training and Hiring Plan**. Developer agrees to work with the Workforce Solutions Unit of HED to create and implement a mutually acceptable plan for the recruitment, training and hiring of City of Chicago residents. Such plan will have as one of its goals, an objective to maximize the number of local residents from the LaSalle Central and adjacent communities participating in the plan. Developer will develop job criteria and qualifications for plan use and will consult with the Workforce Solutions Unit as necessary in this process. The Workforce Solutions Unit will refer qualified candidates to Developer consistent with Developer's operations timing objectives contained in the plan, and Developer will interview such qualified candidates. Developer will not be required to hire any specified number of candidates.

**8.18 Occupancy, Operations and Land Use Covenants**.

(a) Occupancy and Operations Covenant. Developer covenants that it will occupy the Project and operate its on-line facility on the Property for the Term of the Agreement, subject to the provisions of Section 18.17 (Force Majeure); provided, however, that temporary closures for reconstructions, expansion, alterations or remodeling are permitted exceptions to this covenant.

(b) Land Use Compliance. Developer covenants that its use of the Property and the Project will be in compliance with the Redevelopment Plan, and applicable zoning laws.

(c) Run With The Land. The covenants stated in this Section 8.18 run with the land and the leasehold interest in the Project, and are intended to be binding on any transferee of the Project.

**8.19 Job Requirements**

(a) At Locations. Developer covenants to meet or exceed the following FTE job requirements at the following locations during the Term of the Agreement:

Year(s)	Number of Employees Riverside Plaza	Total Staff – Riverside Plaza	Total Staff Citywide
2013	150 Retained 60 Created	210	460
2013	65 Created	275	525
2014	75 Created	350	600
2015	75 Created	425	675
2016	75 Created	500	750
2017	20 Created	520	770
2018	20 Created	540	790
2019	20 Created	560	810
2020	20 Created	580	830
2021	20 Created	600	850

(b) Position Descriptions The bulk of the positions created at the Project will be admissions advisors that help with new student recruitment and provide information to prospective students through addressing inquiries, customer service and help with decision making. There will also be positions that support the admissions staff, oversee the admissions staff and train the admissions staff. Such positions include enrollment coordinators, systems training specialists, and enrollment coordinator team leads. Other positions include business

analysts and market analysts. Managerial positions include business process administrators, senior human resources business partners, director of admissions management services, senior director of marketing systems and assistant director of admissions.

(c) Non-Compliance

(i) In any year of the 10 year term, if Developer's job count falls below the requirement stated in subsection (a) above, then:

(x) the City may withhold payments to Developer for any year. Upon compliance, regular payments will resume and withheld payments will be promptly paid to Developer;

(y) the year that Developer was out of compliance will not count toward the 10 year stated term, but will be added to the stated term and thereby automatically extending the Term of the Agreement.

(ii) During the 10-year Term of the Agreement, Developer is entitled to two (2) non-consecutive years of non-compliance. If Developer has: (x) two (2) consecutive years of non-compliance; or (y) three (3) non-consecutive years of non-compliance, then such event shall be considered an Event of Default, and the City will be under no further obligation to pay City Funds to Developer.

(d) Default by Landlord under the Lease. A default by the Landlord under the Lease shall not: (a) relieve Developer from its obligations under this Agreement or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Agreement.

8.20 Annual Compliance Report. Beginning with the issuance of the COC and continuing throughout the Term of the Agreement, the Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Reserved.

8.22 Broker's Fees. Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.23 No Conflict of Interest. Under Section 5/11-74.4-4(n) of the Act, 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, (a "City Group Member") owns or controls, has owned or controlled or will own or control any

interest, and no such City Group Member will 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 Developer, the Property, the Project, or to the Developer's actual knowledge, any other property in the Redevelopment Area.

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

8.25 **No Business Relationship with City Elected Officials.** Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated thereby.

8.26 **Inspector General.** It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.27 **Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4.** Neither Developer or any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Developer's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during: (i) the bid or other solicitation process for this Agreement or Other Agreement, including while this Agreement or Other Agreement is executory, (ii) the term of



this Agreement or any Other Agreement between City and Developer, and/or (iii) any period in which an extension of this Agreement or Other Agreement with the City is being sought or negotiated.

Developer represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Agreement for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Agreement, at law and in equity. This provision amends any Other Agreement and supersedes any inconsistent provision contained therein.

If applicable, if Developer violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Agreement resulting from this specification, then HED may reject Developer's bid.

For purposes of this provision:

"**Other Agreement**" means any agreement entered into between the Developer and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"**Contribution**" means a "**political contribution**" as defined in MCC Ch. 2-156, as amended.

**"Political fundraising committee"** means a **"political fundraising committee"** as defined in MCC Ch. 2-156, as amended.

8.28 **Shakman Accord**.

(a) The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "**Shakman Accord**") and the June 24, 2011 "City of Chicago Hiring Plan" (the "**City Hiring Plan**") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(b) Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with Developer, either as an employee or as a subcontractor, and from directing Developer to hire an individual as an employee or as a subcontractor. Accordingly, Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Developer under this Agreement are employees or subcontractors of Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Developer.

(c) Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to Developer by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("**IGO Hiring Oversight**"), and also to the Commissioner of HED. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to this Agreement.

## 8.29 FOIA and Local Records Act Compliance.

(a) FOIA. Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended (“FOIA”). The FOIA requires the City to produce records (very broadly defined in the FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, that would be otherwise required under this Agreement then Developer covenants to comply with such request within two (2) Business Days of the date of such request. Failure by Developer to timely comply with such request will be a breach of this Agreement.

(b) Exempt Information. Documents that Developer submits to the City under Section 8.20, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as “proprietary, privileged or confidential.” If Developer marks a document as “proprietary, privileged and confidential”, then HED will evaluate whether such document may be withheld under the FOIA. HED, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General’s Office and/or the courts.

(c) Local Records Act. Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq., as amended (the “Local Records Act”). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with this Agreement and the transactions contemplated in the Agreement.

8.30 Material Amendment To Lease/Lease Transfer. During the Term of the Agreement, Developer shall not: (a) execute or consent to a Material Amendment or (b) sell, sublease, re-lease, assign or otherwise transfer its interest in the Lease without the prior written consent of HED, which consent shall be in HED’s sole discretion.

8.31 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate) will be in effect throughout the Term of the Agreement.

## ARTICLE NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS 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 Article Nine 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.

## ARTICLE TEN: DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

(c) Each Employer will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et. seq. (2006 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, after the Closing Date, and will require inclusion of these provisions in every subcontract entered into by any subcontractors, after the Closing Date, and every agreement with any Affiliate operating on the Property or at the Project, after the Closing Date, so that each such provision will 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 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

#### **10.02 City Resident Construction Worker Employment Requirement.**

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will 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 will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) 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.

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

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

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of HED in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

(h) Good faith efforts on the part of 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) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City 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 Article. 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by 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 will 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to 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 Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project, entered into after the Closing Date.

**10.03 Developer's MBE/WBE Commitment.** Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the construction of 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 stated in Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("MBEs") and by Women-Owned Businesses ("WBEs"):

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

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) is deemed a "**contractor**" and this Agreement (and any contract let by Developer in connection with the Project) is 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.

(ii) The term "**minority-owned business**" or "**MBE**" 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.

(iii) The term "**women-owned business**" or "**WBE**" 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.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by 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 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 compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) Developer must 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 will include, inter alia: the name and business address of each MBE and WBE solicited by 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. Developer will maintain records of all relevant data with respect to the utilization of MBEs and WBEs in



connection with the Project for at least 5 years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on 5 Business Days' notice, to allow the City to review 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, Developer is 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 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, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors are required to attend this pre-construction meeting. During said meeting, Developer will demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which will be approved by the City's monitoring staff. During the Project, 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 Developer is not complying with its obligations under this Section 10.03, will, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

## ARTICLE ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

Without limiting any other provisions hereof, 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 Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## ARTICLE TWELVE: INSURANCE

12.01 **Insurance Requirements.** Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

## ARTICLE THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Developer agrees to indemnify, pay 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 (arising out of a third party action against the City), 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 Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) Any cost overruns as described in Section 4.06; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

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

(iv) 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 Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

(vi) any act or omission by Developer or any Affiliate of Developer;

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 will contribute the maximum portion that it is permitted to pay and satisfy under 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 will survive the termination of this Agreement.

#### ARTICLE FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project. The City shall provide three (3) Business Days' prior written notice to the Developer in accordance with Section 17. The notice shall indicate the date and time of the inspection. All inspections shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday.

14.02 **Inspection Rights.** Upon three (3) Business Days' notice, any authorized representative of the City shall have access to all portions of the Project during normal business hours for the Term of the Agreement. The City shall provide three (3) Business Days' prior written notice to the Developer in accordance with Section 17. The notice shall indicate the date

and time of the inspection. All inspections shall be conducted between the hours 9:00 a.m. and 5:00 p.m., Monday through Friday.

#### ARTICLE FIFTEEN: 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, will constitute an "Event of Default" by Developer hereunder:

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

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

(c) the making or furnishing by 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 by Developer to create, any lien or other encumbrance upon the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens or any Permitted Mortgage, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

(g) the entry of any judgment or order against Developer, not covered by insurance for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Developer's ultimate parent entity, if any; or

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of all of the equity ownership interests of Developer without the prior written consent of the City; or

(l) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to the Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j), a natural person with a material interest in Developer is one owning in excess of seven and a half percent (7.5%) of Developer's or Developer's ultimate parent entity, if any, issued and outstanding ownership shares or interests.

**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. To the extent permitted by law, and under allowed under the Lease, the City may also lien Developer's leasehold interest in the Property.

### 15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within 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 30 day period, Developer will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

## ARTICLE SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Project or any portion thereof are listed on Exhibit I hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "**Existing Mortgages.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage.**" Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Project 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 Developer as follows:

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

(b) If any mortgagee or any other party shall succeed to Developer's interest in the Project or any portion thereof by 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 Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will 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 Developer of a Certificate under Article Seven hereof, no New Mortgage will be executed with respect to the Project or any portion thereof without the prior written consent of the Commissioner of HED. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of HED is not required for any such New Mortgage.

#### ARTICLE SEVENTEEN: NOTICES

17.01 Notices. All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

If to the City:

City of Chicago  
Department of Housing and Economic Development  
Attn: Commissioner  
121 North LaSalle Street, Room 1000  
Chicago, IL 60602  
312/744-4190 (Main No.)  
312/744-2271 (Fax)

With Copies To: City of Chicago  
Corporation Counsel  
Attn: Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
312/744-0200 (Main No.)  
312/742-0277 (Fax)

If to Developer: DeVry Real Estate Administration  
Attention: President  
3005 Highland Parkway  
Downers Grove, IL 60515  
Telephone: 630/353-3671

With Copies To: DeVry Online Services  
Attn: VP Operations  
1200 Diehl Raod  
Naperville, IL 60563  
Telephone: 630/928-6579

Erika L. Kruse, Esq.  
Law Offices of Erika L. Kruse  
28755 W. Harvest Glen Circle  
Cary, IL 60013  
847/462-8949  
847/462-0193 (Fax)

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

**17.02 Developer Requests for City or HED Approval.** Any request under this Agreement for City or HED approval submitted by Developer will comply with the following requirements:

(a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);



(b) expressly state the particular document and section thereof relied on by Developer to request City or HED approval;

(c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or HED;

(d) if applicable, state the outside date for the City's or HED's response; and

(e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

#### ARTICLE EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** This Agreement and the Schedules and Exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. 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 90 days.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the Schedules and Exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

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

18.04 **Further Assurances.** 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, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will 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 will 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, will constitute a waiver of any of 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 must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

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

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Counterpart Facsimile Execution.** For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by

other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

18.11 **Severability**. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 **Conflict**. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.13 **Governing Law**. This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

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

18.15 **Assignment**. Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.29 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 **Force Majeure**. Neither the City nor Developer nor any successor in interest to either of them will 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, war, acts of terrorism, imposition of martial law, plague or other illness, bank holidays or stock or commodity

exchange closures or wire transfer interruptions, capital controls, civil disorders, rebellions or revolutions, strike, shortage of material, power interruptions or blackouts, fuel shortages or rationing, 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, except to the extent that, the non-performing party is at fault in failing to prevent or causing such default or delay; and provided that such default or delay cannot reasonably be circumvented by the non-performing party through the use of alternative sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, 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 and Schedules.** All of the exhibits and schedules to this Agreement are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. (2006 State Bar Edition), as amended), if Developer is required to provide notice under the WARN Act, Developer will, 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 Developer has locations in the State. Failure by 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 **Approval.** Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.21 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of

similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.22 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State Law, the date for such performance will be the next succeeding Business Day.

18.23 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the Closing Date.

18.24 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.25 **Venue and Consent to Jurisdiction.** If there is a lawsuit under this Agreement, each party 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.

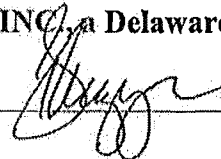
18.26 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the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

[The remainder of this page is intentionally left  
blank and the signature page follows]

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

**DEVRY INC**, a Delaware corporation

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



Printed

Name: \_\_\_\_\_

Tim Wiggins

Title: \_\_\_\_\_

CFO

**CITY OF CHICAGO**

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

Commissioner,

Department of Housing and Economic Development

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

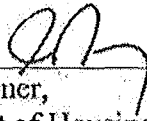
**DEVRY INC., a Delaware corporation**

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

Printed  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF CHICAGO**

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

Commissioner,  
Department of Housing and Economic Development

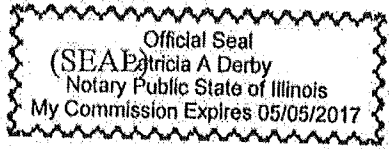
STATE OF Illinois )  
 ) SS  
COUNTY OF DuPage )

I, Patricia A. Derby, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Tim Higgins, personally known to me to be the CFO of DeVry Inc., a Delaware corporation, (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28 day of May, 2013.

Patricia A. Derby  
Notary Public

My Commission Expires 5/5/2017

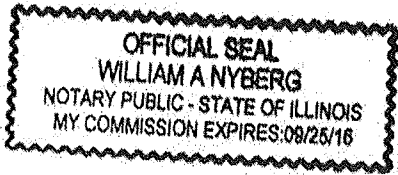




STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, William A. Nyberg, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he ~~he~~<sup>she</sup> signed, sealed, and delivered said instrument pursuant to the authority given to him~~her~~<sup>her</sup> by the City, as his~~her~~<sup>her</sup> free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 19<sup>th</sup> day of June, 2013.



William A. Nyberg  
Notary Public

My Commission Expires 09/25/2016

(Seal)

LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA

DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT

Redevelopment Agreement  
dated as of June 19, 2013

SCHEDULE A

DEFINITIONS

For purposes of this Agreement the following terms shall have the meanings stated forth below:

“Act” has the meaning defined in Recital B.

“Actual Residents of the City” has the meaning defined for such phrase in Section 10.02(c).

“Affiliate(s)” 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 person 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.

“Agreement” has the meaning defined in the Agreement preamble.

“Annual Compliance Report” shall mean a signed report from Developer to the City: (a) itemizing each of Developer’s obligations under the Agreement during the preceding calendar year; (b) certifying Developer’s compliance or noncompliance with such obligations; (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance; and (d) certifying that Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Occupancy and Operations Covenant (Section 8.18); (2) compliance with the Jobs Covenant (Section 8.19); (3) delivery of updated insurance certificates, if applicable

(Section 8.11); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.12); (5) delivery of evidence of LEED Certification has been obtained (Section 3.14(b)) and (6) compliance with all other executory provisions of the RDA.

**"Available Incremental Taxes"** shall mean for each payment, an amount equal to the Incremental Taxes on deposit in the LaSalle Central Redevelopment Project Area TIF-Fund as of December 31<sup>st</sup> of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which are available for the payment of TIF-Funded Improvements, after deducting: (i) the TIF District Administration Fee; (ii) all Incremental Taxes from a New Project pledged or allocated to assist the New Project, and (iii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged to: NAVTEQ Corporation, The Ziegler Companies, Inc., MillerCoors LLC, UAL Corporation, United Air Lines, Inc., Lyric Opera of Chicago, Chicago Mercantile Exchange, Inc., Randolph Tower City Apartments, Inc., Accretive Health, Inc., JMC Steel Group, Inc. and/or any of their respective Affiliates, and (iv) debt service payments with respect to the Bonds, if any or the TIF Bonds, if any.

**"Bonds"** has the meaning defined in Section 8.05.

**"Bond Ordinance"** means the City Ordinance authorizing the issuance of Bonds.

**"Building"** has the meaning defined in Recital D.

**"Business Day"** means any day other than Saturday, Sunday or a legal holiday in the State.

**"Certificate"** (and also from time to time referred to as the **"COC"**) has the meaning defined in Section 7.01 and cross-referenced in Section 4.03(b)(ii)(A).

**"Change Order"** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.03, 3.04 and 3.05.

**"City"** has the meaning defined in the Agreement preamble.

**"City Contract"** has the meaning defined in Section 8.01(l).

**"City Council"** means the City Council of the City of Chicago as defined in Recital C.

**"City Funds"** means the funds described in Section 4.03(a).

**"City Group Member"** has the meaning defined in Section 8.23.

**"City Hiring Plan"** has the meaning defined in Section 8.28.

**"City Requirements"** has the meaning defined in Section 3.07.

**"Closing Date"** means 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.

**"Commissioner"** or **"Commissioner of HED"** means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City's Department of Housing and Economic Development and any successor City Department.

**"Construction Contract"** means that certain contract substantially in the form of Exhibit G, to be entered into between the Developer and the General Contractor (as defined below) providing for construction of, among other things, the TIF-Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing Date.

**"Construction Program"** has the meaning defined in Section 10.03(a).

**"Contribution"** has the meaning defined in Section 8.27.

**"Corporation Counsel"** means the City's Department of Law.

**"Developer"** has the meaning defined in the Agreement preamble.

**"EDS"** means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

**"Employer(s)"** has the meaning defined in Section 10.01.

**"Employment Plan"** has the meaning defined in Section 5.12.

**"Environmental Laws"** means 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 (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

**"Equity"** means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.06 (Cost Overruns).

**"Event of Default"** has the meaning defined in Section 15.01.

**"Existing Mortgages"** has the meaning defined in Section 16.01.

**"Financial Statements"** means the financial statements regularly prepared by Developer, if any, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, for business enterprises operating for profit in the United States of America, and also includes financial statements (both audited and unaudited) prepared by a certified public accountant, together with any audit opinion and management letter issued by Developer's auditor.

**"FOIA"** has the meaning defined in Section 8.29.

**"Full Time Equivalent Employee"** or **"FTE"** shall mean an employee of Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project, excluding: (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer, an Affiliate, or by third parties in positions ancillary to Developer's operations including, without limitation, food service workers, security guards, cleaning personnel, or similar positions at the Project.

**"General Contractor"** means the general contractor(s) hired by Developer under Section 6.01.

**"Governmental Charge"** has the meaning defined in Section 8.16(a)(i).

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

**"HED"** has the meaning defined in the Agreement preamble.

**"Human Rights Ordinance"** has the meaning defined in Section 10.01(a).

**"Identified Parties"** has the meaning defined in Section 8.27.

**"IGO Hiring Oversight"** has the meaning defined in Section 8.28.

**"Incremental Taxes"** means 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 for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the LaSalle Central Redevelopment Project Area Special Tax Allocation Fund.

**"Incremental Taxes from a New Project"** means: (a) individually, Incremental Taxes generated by the equalized assessed value ("EAV") of the parcel(s) comprising a New Project over and above the initial EAV of such affected parcel(s) as certified by the Cook County Clerk in the certified initial EAV of all tax parcels in the Redevelopment Area and (b) collectively, the sum of Incremental Taxes from a New Project for all New Projects, if there are multiple New Projects.

**"Indemnitee"** and "**Indemnitees**" have the respective meanings defined in Section 13.01.

**"Labor Department"** has the meaning defined in Section 8.08.

**"LaSalle Central Redevelopment Project Area Special Tax Allocation Fund"** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be deposited.

**"Lease"** has the meaning defined in Recital D. The Lease will be for not less than 77,000 square feet (53,000 square feet on the 7<sup>th</sup> Floor and 24,000 square feet on the 8<sup>th</sup> Floor) of Building, and will be by and between Developer and South Riverside Building, LLC as Landlord.

**"LEED"** has the meaning defined in Section 3.14(a).

**"LEED-CIV2"** has the meaning defined in Section 3.14(a).

**"Lender Financing"** means funds borrowed by Developer from lenders, if any, and available to pay for costs of the Project, in the amount stated in Section 4.01.

**"Local Records Act"** has the meaning defined in Section 8.29.

**"Material Amendment"** shall mean an amendment of any Lease the net effect of which is to directly or indirectly do any of the following with respect to the Lease: (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 such Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under such Lease of the amendment; (b) shorten the initial term of such Lease or grant additional early termination rights that, if exercised, would shorten the initial term of such Lease; or (c) [additional provisions may follow based on review of signed Lease].

**"Mayor"** has the meaning defined in Section 8.27.

**"MBE(s)"** has the meaning defined in Section 10.03(b).

**"MBE/WBE Program"** has the meaning defined in Section 10.03(a).

**"Minority-Owned Business"** has the meaning defined in Section 10.03(b).

**"Municipal Code"** and also **"MCC"** means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

**"New Mortgage"** has the meaning defined in Section 16.01.

**"New Project"** means a development project: (a) for which the related redevelopment agreement is recorded on or after the date of this Agreement and (b) which will receive assistance in the form of Incremental Taxes; provided, however, that "New Project" shall not include any development project that is or will be exempt from the payment of ad valorem property taxes.

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

**"Other Agreement"** has the meaning defined in Section 8.27.

**"Owners"** has the meaning defined in Section 8.27.

**"Permitted Liens"** means those liens and encumbrances against the Property and/or the Project stated in Exhibit H.

**"Permitted Mortgage"** has the meaning defined in Section 16.01.

**"Plan Adoption Ordinance"** has the meaning defined in Recital C.

**"Plans and Specifications"** means 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.

**"Political fundraising committee"** has the meaning defined in Section 8.27.

**"Prior Expenditure(s)"** has the meaning defined in Section 4.05.

**"Procurement Program"** has the meaning defined in Section 10.03(a).

**"Project"** has the meaning defined in Recital D.

**"Project Budget"** means the budget stated in Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to HED, in accordance with Section 3.03.

**"Property"** has the meaning defined in Recital D.

**"Redevelopment Area"** means the redevelopment project area as legally described in Exhibit A.

**"Redevelopment Plan"** has the meaning defined in Recital E.

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

**"Requisition Form"** has the meaning defined in Section 4.03(b)(iv)(D).

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

**"Shakman Accord"** has the meaning defined in Section 8.28.

**"State"** means the State of Illinois as defined in Recital A.

**"Sub-owners"** has the meaning defined in Section 8.27.

**"Term of the Agreement"** means the period of time commencing on the date of the Certificate and ending 10 years thereafter, unless extended as provided in Section 8.19(b).

**"TIF Adoption Ordinance"** has the meaning stated in Recital C.



"**TIF Bonds**" has the meaning defined for such term in Recital F.

"**TIF Bond Ordinance**" has the meaning stated in Recital F.

"**TIF Bond Proceeds**" has the meaning stated in Recital F.

"**TIF District Administration Fee**" has the meaning described in Section 4.05(b).

"**TIF Ordinances**" has the meaning stated in Recital C.

"**TIF-Funded Improvements**" means 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, and (iv) are stated in Exhibit E.

"**Title Company**" means Old Republic National Title Insurance Company

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

"**Under Assessment Complaint**" has the meaning set forth in Section 8.16(c)(iv).

"**USGBC**" has the meaning defined in Section 3.14(a).

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

"**WBE(s)**" has the meaning defined in Section 10.03(b).

"**Women-Owned Business**" has the meaning defined in Section 10.03(b).

**LaSalle Central  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**SCHEDULE B**

**ARTICLE TWELVE: INSURANCE REQUIREMENTS**

12.01 **Insurance.** Developer will provide and maintain, or cause to be provided and maintained, at Developer's own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement

(i) Workers' Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement in statutorily prescribed limits 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 must 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 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. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, sub-contractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(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 in statutorily prescribed limits 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 must include the following: All premises and operations, products/completed operations (for a minimum of 2 years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City 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, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or rail transit property or within 50 feet of railroad or rail transit property, contractor must provide, or cause to be provided with respect to the operations that the contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement by Developer's architects, contractors, sub-contractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records.

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance 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 1 year. The City is to be named as an additional insured on a primary, non-contributory basis.

(ix) Blanket Crime

Developer must provide Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by dishonesty, robbery, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time.

(c) Other Insurance Required.

- (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 Project. The City is to be named as an additional insured.
- (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 Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements

- (i) Developer will furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 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. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. 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 Developer must not be deemed to be a waiver by the City. Developer will advise all insurers of the Agreement

provisions regarding insurance. Non-conforming insurance will not relieve 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.

- (ii) The insurance will provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self insured retentions on referenced insurance coverages are borne by Developer.
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.
- (vii) The required insurance will 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.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT A**

**REDEVELOPMENT AREA LEGAL DESCRIPTION**

A legal description of the Redevelopment Area is attached to this exhibit cover sheet.

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.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT B-1**

**LEGAL DESCRIPTION OF THE BUILDING/PROPERTY**

A legal description of the Building / Property is attached to this exhibit cover sheet.

EXHIBIT A

LAND

REAL PROPERTY IN THE CITY OF CHICAGO, COUNTY OF COOK,  
STATE OF ILLINOIS, DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 7 (EXCEPT THE WEST 122.53 FEET THEREOF) IN RAILROAD COMPANIES' RESUBDIVISION OF BLOCKS 62 TO 76, BOTH INCLUSIVE, BLOCK 78, PARTS OF BLOCKS 61 AND 77 AND CERTAIN VACATED STREETS AND ALLEYS IN SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 29, 1924 IN BOOK 188 ON PAGES 11 TO 28, BOTH INCLUSIVE, AS DOCUMENT NUMBER 8339751 (EXCEPTING THEREFROM THAT PART THEREOF LYING BELOW OR BENEATH THE AIR RIGHTS LIMITING PLANE OR ELEVATION SET FORTH IN APPENDIX "B" TO LEASE RECORDED OCTOBER 2, 1980 AS DOCUMENT 25607453 AND WHICH IS INDICATED IN SAID APPENDIX "B" TO BE 32 FEET 10 INCHES ABOVE CHICAGO CITY DATUM), IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL LAND AND SPACES BELOW THE AIR RIGHTS LIMITING PLANE DESCRIBED IN PARCEL 1 ABOVE AS ARE OCCUPIED BY COLUMNS, TRUSSES, HORIZONTAL STRUCTURAL MEMBERS, INCLUDING THE FINISHED MEZZANINE FLOOR, FOUNDATIONS AND OTHER SUPPORTS FOR THE BUILDING CONTEMPLATED BY THE LEASE DESCRIBED IN PARCEL 1 ABOVE AND SMOKE EXHAUST PLENUMS, ELEVATOR PITS, FUEL TANKS, PUMPING STATIONS AND MECHANICAL EQUIPMENT LOCATED BELOW SAID AIR RIGHTS LIMITING PLANE FOR THE PURPOSE OF SAID CONTEMPLATED BUILDING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

BASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 ABOVE FOR THE CONSTRUCTION, USE, MAINTENANCE, REPAIR, REPLACEMENT OR RENEWAL FROM TIME TO TIME OF ADEQUATE COLUMNS, TRUSSES, HORIZONTAL STRUCTURAL MEMBERS, INCLUDING THE FINISHED MEZZANINE FLOOR, FOUNDATIONS AND OTHER SUPPORTS FOR THE BUILDING CONTEMPLATED UNDER THE LEASE DESCRIBED IN PARCEL 1 ABOVE AND SMOKE EXHAUST PLENUMS, ELEVATOR PITS, FUEL TANKS, PUMPING STATIONS AND MECHANICAL EQUIPMENT, IN THE LAND AND SPACE BELOW THE AIR RIGHTS LIMITING PLANE DESCRIBED IN PARCEL 1 ABOVE, IN COOK COUNTY, ILLINOIS, AS SET FORTH IN THE EASEMENT AND OPERATING AGREEMENT DATED MAY 29, 2001 AND RECORDED JUNE 1, 2001 AS DOCUMENT NO. 0010466784.

PARCEL 4:

A NON-EXCLUSIVE APPURTENANT EASEMENT IN FAVOR OF PARCELS 1 AND 2 AS CREATED BY DEED OF EASEMENT RECORDED JANUARY 31, 1990 AS DOCUMENT NO. 90047309 AND AS AMENDED BY FIRST AMENDMENT TO DEED OF EASEMENT RECORDED OCTOBER 9, 1990 AS DOCUMENT NO. 90491486, MADE BY LASALLE NATIONAL BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 17, 1983 AND KNOWN AS TRUST NO. 107292 TO GATEWAY IV JOINT VENTURE AND OTHERS, FOR THE USE OF 1,100 PUBLIC PARKING SPACES IN THE GARAGE, AS DEFINED THEREIN, WITH RIGHTS OF INGRESS AND EGRESS AND AN EASEMENT FOR THE PURPOSE OF CONSTRUCTION OF SUCH REPAIRS OR RESTORATION FOR THE PERIOD REQUIRED TO COMPLETE SUCH REPAIRS OR RESTORATION ON, OVER AND ACROSS THE FOLLOWING DESCRIBED LEGAL DESCRIPTION:

LOTS 5, 6, 7 AND 8 (EXCEPT FROM SAID LOTS THAT PART FALLING IN ALLEY) IN BLOCK 49 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 30 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS: 17-16-121-003-6002 AND 17-16-121-003-

6001

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

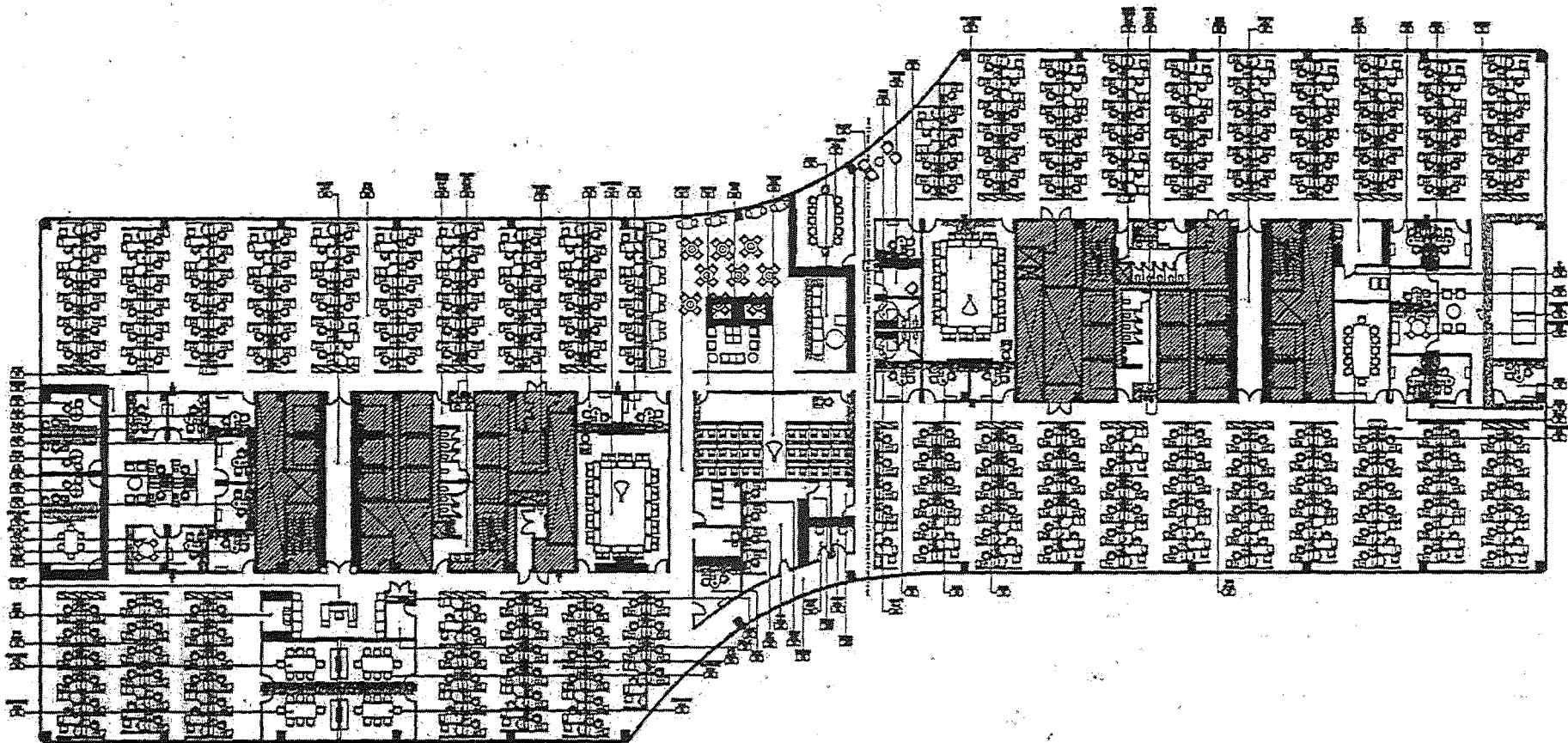
**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT B-2**

**SITE PLAN FOR THE PROJECT / ON-LINE OPERATIONS FACILITY**

A Site Plan for the Project / On-Line Operations Facility is attached to this exhibit cover sheet.



**A** INTERIOR ARCHITECTS  
CHICAGO

Project Name, DV ONLINE CHICAGO

Job Number, 051428.00

201 WEST WACKER, SUITE 1500  
CHICAGO, ILLINOIS 60604  
TEL 312-535-8200 FAX 312-535-8206

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PBA 14 INTERIOR ARCHITECTS IN ILLINOIS, LICENSE # 149-08-034

2/14 PM 3/14/12 PROJECT COMMENCED: 02/01/12 CHECKS/PROJECT CANCELED/NOT COMPLETED: 03/14/12 FLOOR PLAN 051428-07 FLOOR

Refer To Drawing: 07A-5.0  
Issue: --  
Date: 03.14.2012  
Scale: N.T.S

**FIN-01**



**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT C**

**REDEVELOPMENT PLAN**

The Redevelopment Plan for the LaSalle Central Redevelopment Project Area is attached to this exhibit cover sheet.

**AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS  
APPROVING A REDEVELOPMENT PLAN  
FOR THE  
LASALLE CENTRAL REDEVELOPMENT PROJECT AREA**

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

WHEREAS, by authority of the Mayor and the City Council of the City (the "City Council," referred to herein collectively with the Mayor as the "Corporate Authorities") and pursuant to Section 5/11-74.4-5(a) of the Act, the City's Department of Planning and Development established an interested parties registry and, on March 29, 2006 published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act since June 29, 2006, being a date not less than 10 days before the meeting of the Community Development Commission of the City ("Commission") at which the Commission adopted Resolution 06-CDC-60 on July 11, 2006 fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto as an exhibit and, if applicable, the feasibility study and the housing impact study) was sent by mail on July 21, 2006 which is within a reasonable time after the adoption by the Commission of Resolution 06-CDC-60 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

WHEREAS, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on July 19, 2006, by publication in the Chicago Sun-Times or Chicago Tribune on August 18, 2006 and August 25, 2006, by certified mail to taxpayers within the Area on August 15, 2006; and

WHEREAS, a meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on August 4, 2006 at 10:00 a.m., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on September 12, 2006; and

WHEREAS, the Commission has forwarded to the City Council a copy of its Resolution 06-CDC-72 attached hereto as Exhibit B, adopted on September 12, 2006, recommending to the City Council approval of the Plan, among other related matters; and

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

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

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

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

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

a. The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed

without the adoption of the Plan;

**b. The Plan:**

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

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

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

d. The Plan will not result in displacement of residents from inhabited units.

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

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

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

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

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

**LaSalle Central Redevelopment Project Area**  
**Tax Increment Finance District**  
**Eligibility Study, Redevelopment Plan and Project**

City of Chicago  
Richard M. Daley, Mayor

June 29, 2006  
Revised July 6, 2006  
Revised November 6, 2006

## *1. Executive Summary*

In October 2005, *S. B. Friedman & Company* was engaged to conduct a Tax Increment Financing Eligibility Study (the "Eligibility Study") for the proposed LaSalle Central Redevelopment Project Area. This report details the eligibility factors found within the proposed LaSalle Central Redevelopment Project Area in support of its designation as a "conservation area" within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), and thus in support of its designation as the LaSalle Central Redevelopment Project Area (the "LaSalle Central RPA" or "RPA"). In addition, since the Eligibility Study has determined that the RPA qualifies as a conservation area, this report also contains the Redevelopment Plan and Project (the "Redevelopment Plan" or "Redevelopment Plan and Project") for the LaSalle Central RPA.

The LaSalle Central RPA is located within the Loop and Near West Side community areas ("Community Area") of the City of Chicago, and is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington streets on the north.

### *Determination of Eligibility*

This Eligibility Study concludes that the LaSalle Central RPA is eligible for Tax Increment Financing ("TIF") designation as a "conservation area" because 50 percent or more of the structures in the area are 35 years in age or older, and because the following six eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

1. Lack of Growth in Equalized Assessed Value (EAV);
2. Inadequate Utilities;
3. Excessive Vacancies;
4. Presence of Structures Below Minimum Code Standards;
5. Deterioration; and
6. Obsolescence.

### *Redevelopment Plan, Goal, Objectives, and Strategies*

**Goal.** The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the LaSalle Central RPA as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in rehabilitation of existing structures and new development. Eliminating these conditions and facilitating development within the RPA will insure that the Loop remains a vital business and employment center.

**Objectives.** Thirteen broad objectives support the overall goal of area-wide revitalization of the LaSalle Central RPA. These include:

1. Provide resources for the rehabilitation and modernization of existing structures, particularly historically and architecturally significant buildings;
2. Encourage high-quality commercial and retail development which enhances the architectural character of the area, promotes a lively pedestrian environment, and attracts unique retailers to the area;
3. Promote the RPA as a center of employment and commercial activity, through the attraction and retention of major employers and corporate headquarters, and by providing assistance to small and/or growing businesses;
4. Improve the quality of existing open space and provide additional public open space through streetscaping and provision of new plazas, parks and public gathering spaces;
5. Provide resources for improvements to the Chicago River wall and riverwalk, and promote the recreational use of the River;
6. Promote a pedestrian-friendly environment, particularly along streets designated as Pedestrian and Mobility Streets in the Chicago Zoning Ordinance, and improve connections in the underground pedway system;
7. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
8. Improve transit and transit stations within the RPA, and advance the development of the Monroe Avenue Transitway;
9. Replace or repair public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, alleys, bridges and viaducts;
10. Encourage environmentally-sensitive development, including development that incorporates green roofs and that achieves LEED certifications;
11. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in job opportunities associated with the redevelopment of the LaSalle Central RPA, particularly in the design and construction industries;
12. Support job training and welfare to work programs and increase employment opportunities for City residents; and
13. Provide daycare assistance to support employees of downtown businesses.

**Strategies.** These objectives will be implemented through five specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the LaSalle Central RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement of new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support Rehabilitation of Existing Buildings.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements, in addition to programming such as job training and retraining, that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside twenty percent (20 percent) of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred percent (100 percent) of the area median income, and affordable rental units should be affordable to persons earning no more than sixty percent (60 percent) of the area median income. TIF funds can also be used to pay for up to fifty percent (50 percent) of the cost of construction or up to seventy five percent (75 percent) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

3. **Assist Employers Seeking to Relocate or Expand Facilities.** The City may provide assistance to businesses and institutions that are major employers and which seek to relocate to or expand within the LaSalle Central RPA. This assistance may be provided through support of redevelopment and rehabilitation projects in existing buildings, assistance with land acquisition and site preparation for new facilities, or assistance with financing costs.



4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the LaSalle Central RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.
5. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land, and to assemble and prepare sites in order to undertake projects in support of this Redevelopment Plan and Project.

To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

### *Required Findings*

The conditions required under the Act for the adoption of the Eligibility Study and Redevelopment Plan and Project are found to be present within the LaSalle Central RPA.

1. The RPA has not been subject to growth and development through investment by private enterprise or not-for-profit sources. The EAV of the LaSalle Central RPA has not kept pace with the City of Chicago as a whole. In addition, construction activity within the RPA has largely been limited to a small number of buildings, and the total value of these construction projects has been small relative to the market value of the area.
2. Without the support of public resources, the redevelopment objectives of the LaSalle Central RPA will most likely not be realized. TIF assistance may be used to fund rehabilitation, infrastructure improvements, and expansions to public facilities. Without the creation of the LaSalle Central RPA, these types of projects are not likely to occur.
3. The LaSalle Central RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Redevelopment Plan and Project improvements.
4. The proposed land uses described in this Redevelopment Plan and Project will be approved by the Chicago Plan Commission prior to its adoption by the City Council.

## 2. Introduction

### *The Study Area*

This document serves as the Eligibility Study and Redevelopment Plan and Project for the LaSalle Central Redevelopment Project Area. The LaSalle Central RPA is located within the Loop and Near West Side community areas of the City of Chicago (the "City"), in Cook County (the "County"). In October 2005, *S. B. Friedman & Company* was engaged to conduct a study of certain properties in these neighborhoods to determine whether the area containing these properties would qualify for status as a "blighted area" and/or "conservation area" under the Act.

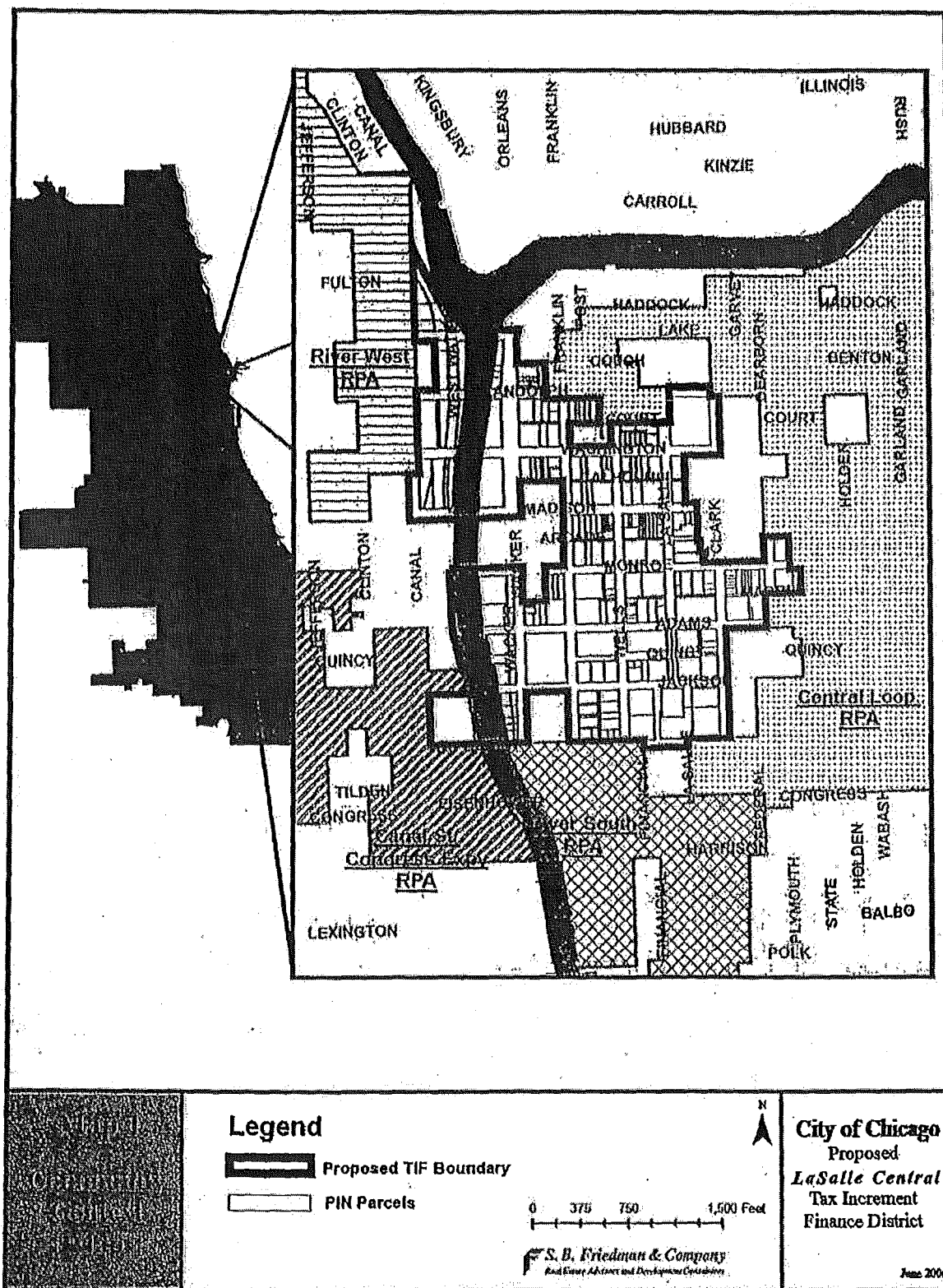
The Eligibility Study and Plan summarizes the analyses and findings of *S.B. Friedman & Company's* work, which, unless otherwise noted, is the responsibility of *S.B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of this Eligibility Study and Plan in designating the LaSalle Central Redevelopment Project Area as a redevelopment project area under the Act. *S. B. Friedman & Company* has prepared this Eligibility Study and Plan with the understanding that the City would rely: 1) on the findings and conclusions of the Eligibility Study and Plan in proceeding with the designation of the LaSalle Central Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that *S.B. Friedman & Company* has obtained the necessary information to conclude that the LaSalle Central Redevelopment Project Area can be designated as a redevelopment project area under the Act and that the Eligibility Study and Plan will comply with the Act.

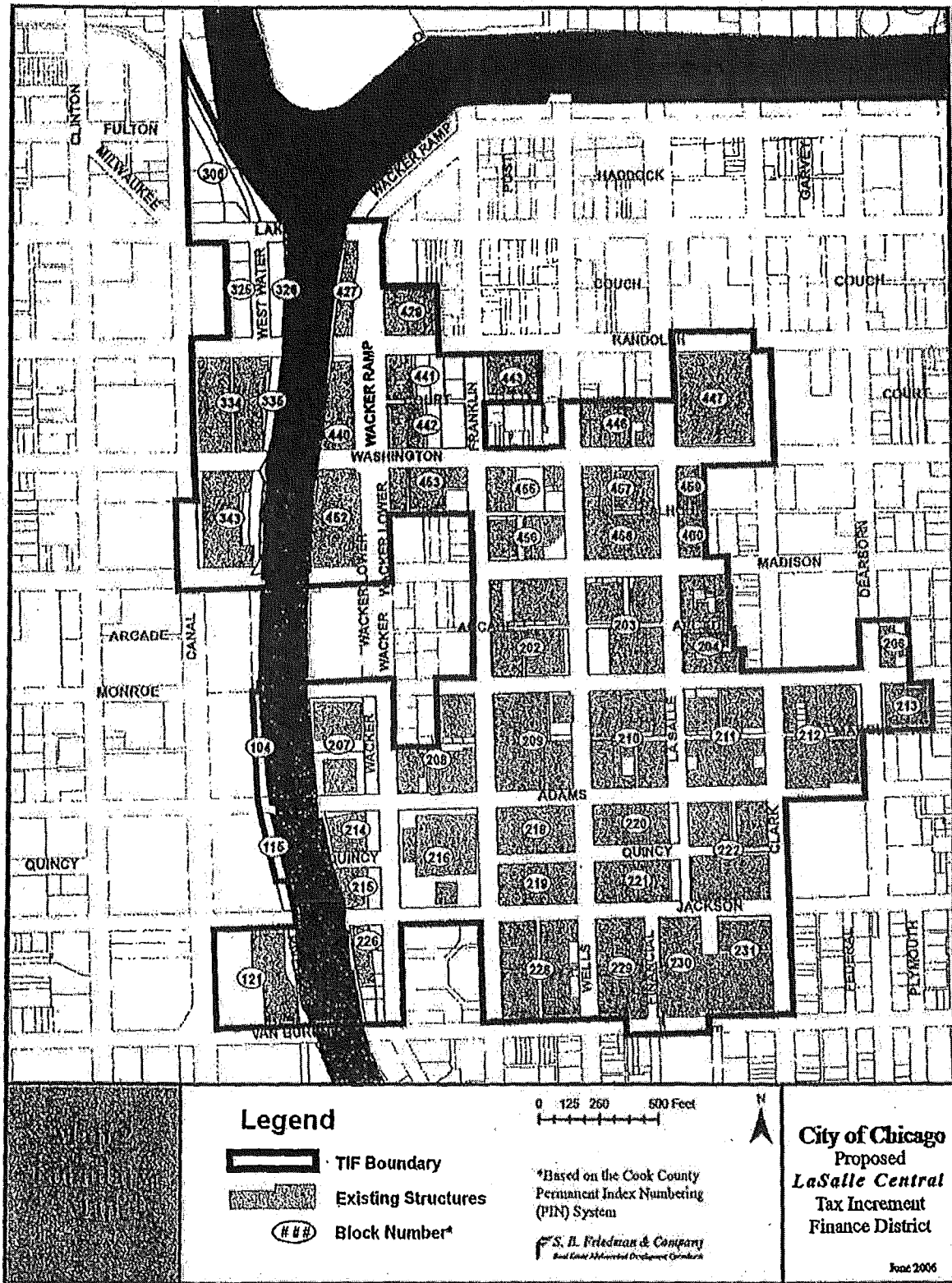
The community context of the LaSalle Central RPA is detailed on Map 1. The RPA encompasses portions of the Central Loop, West Loop and LaSalle Street submarkets of the Central Business District ("CBD"). It is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington Streets on the north. The RPA consists of 273 tax parcels on 49 blocks, and is located wholly within the City of Chicago.

Map 2 details the boundary of the LaSalle Central RPA, which includes only the contiguous real property that is expected to substantially benefit from the Redevelopment Plan and Project improvements discussed herein.

Appendix 1 contains a legal description of the LaSalle Central RPA.

The Eligibility Study covers events and conditions that exist and that were determined to support the designation of the LaSalle Central RPA as a "conservation area" under the Act at the completion of our research on June 26, 2006 and not thereafter. Events or conditions, such as governmental actions and additional developments occurring after that date are excluded from the analysis. The improved parcels suffer from excessive vacancy, inadequate utilities, presence of structures below minimum code standards, and lack of growth and investment. In addition, many





buildings are served by deteriorated infrastructure or demonstrate obsolescence. Without a comprehensive approach to address these issues, the RPA is not likely to see substantial private investment. The Redevelopment Plan and Project address these issues by providing the means to facilitate private development and rehabilitation, and the construction of public infrastructure. These improvements will benefit all of the property within the RPA by alleviating conditions qualifying the RPA as a conservation area.

### *History of Community Area<sup>1</sup>*

The LaSalle Central RPA is located principally within Chicago's Loop Community Area, which is bounded roughly by the Chicago River on the north and west, Congress Parkway on the south, and Lake Michigan on the east. The northwest portion of the RPA, which lies just west of the Chicago River, is in the Near West Side Community Area. The development and history of this portion of the Near West Side has been closely tied to that of the Loop.

The Loop has historically served as the commercial center of the City of Chicago and of the wider Chicago metropolitan area. Development in the area dates back to the earliest days of the City. Jean Baptiste Point DuSable, the first non-Native American settler of the region, established a trading post on the north bank of the Chicago River in the late 18<sup>th</sup> century, and Fort Dearborn was established on the south bank of the river in 1803-04. By the late 1820s, a small community of traders had established a village at the confluence of the North and South Branches of the Chicago River, and the City was incorporated in 1837.

The population of the area grew rapidly during the mid-19<sup>th</sup> century, fueled by a series of infrastructure projects and the economic opportunities those projects created. In 1848, the Illinois and Michigan Canal was completed, linking the Great Lakes with the Mississippi River. The same year the Galena and Chicago Railroad was also completed. These transportation improvements opened up new markets to Chicago's businesses, provided access to raw materials, and established Chicago as a center of the transportation industry. In addition, the Chicago Board of Trade was established that same year, cementing the City's position as the financial center of the Midwest.

During the latter half of the 19<sup>th</sup> century the character of the various sub-districts of the Loop solidified. Potter Palmer engineered the shift of the City's retail district from Lake Street to State Street during the 1860s. The Chicago Board of Trade's move to LaSalle Street in 1865 established that street as the financial center of the City. The City's first major railroad station, Central Depot, was constructed by the Illinois Central Railroad in 1856, and in subsequent decades major railroad depots were constructed on the fringes of the Loop, along Canal Street and south of Congress Parkway.

The Fire of 1871 had a profound impact on the character of the Loop, destroying most of the business district, as well as much of its residential housing. Before 1871, 28,000 people lived in the Loop; after the Fire, few homes were rebuilt in the area, further solidifying its commercial

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<sup>1</sup> Information on the history of the Loop and Near West Side community areas was derived from the *Local Community Fact Book of Chicago Metropolitan Area 1990*, edited by the Chicago Fact Book Consortium (copyright 1995, Board of Trustees of the University of Illinois), and the *Encyclopedia of Chicago*.

character. In subsequent years, technological advances such as the passenger elevator, spread footings, steel frame construction and fireproofing allowed construction of the world's first commercial skyscrapers, beginning with William LeBaron Jenney's Home Insurance Building at the corner of LaSalle and Adams Streets in 1885. By 1904, 21 high-rise buildings had been constructed in the Loop. A newly created mass transportation system, which linked the Loop to outlying areas, also helped to maintain the primacy of the Loop as the City's employment center. Cable cars appeared in the Loop in 1882, and the first segment of the City's elevated train system was completed in 1902. In 1907 the various elevated train lines were united by a stretch of tracks above Wells, Lake, Wabash and Van Buren Streets, giving the area its eponymous feature.

The 1920s saw a second boom in skyscraper construction in the Loop, centered primarily along LaSalle Street and the newly completed, two-level Wacker Drive. The construction of this thoroughfare, as well as the need for parking lots to accommodate the newly available automobile, drove the wholesale industry from the Loop during this time period. The Great Depression and World War II brought an end to construction activity in the Loop for more than twenty years, from 1933 to 1955. After 1955, development in the Loop exploded once again, catalyzed by such government projects as the Federal Center and the Daley Center. Over 30 million square feet of office space was constructed in the Loop between 1957 and 1977.

Despite this construction boom, competition from suburban office markets and the declining fortune of heavy manufacturing sectors took its toll on the Loop during the 1970s. Rail yards on the fringes of the CBD had become disused, and State Street, facing competition from suburban shopping malls, had steadily declined to become a district of discount clothing stores and transient hotels. The North Loop, a popular entertainment district in the 1950s and 1960s, had become run-down as well, with many once popular movie houses shutting their doors. Efforts to rehabilitate these areas during the 1980s and 1990s proved successful. Residential developments such as Printers Row, Dearborn Park and Central Station replaced former industrial uses on the fringes of the Loop. South State Street became home to several colleges and education users, while the North Loop became an important theater and entertainment destination. The completion of Millennium Park in 2004 catalyzed residential development in the East Loop, and State Street has seen a resurgence of retail activity.

Nevertheless, the La Salle Central RPA faces several challenges today. Consolidation within the banking industry has diminished the importance of LaSalle Street as a center of the financial services sector. Office buildings near the commuter rail stations of the West Loop have drawn tenants away from the area's traditional commercial core, and vacancy rates in many of the Loop's older office buildings have climbed to economically unsustainable levels. Wacker Drive, the principal arterial roadway for the RPA, has become seriously deteriorated. Finally, increased competition among communities for corporate headquarters and the use of special tax incentives by nearby municipalities and other cities threatens to diminish the La Salle Central RPA's position as the area's employment center. Designation of the area as a tax increment financing district will provide resources to help address these issues.

### ***Existing Land Use***

The existing land use of the proposed LaSalle Central RPA is characteristic of its role as the Central Business District for the Chicago metropolitan area. The majority of properties are developed as commercial office buildings with retail uses on the ground floors and service uses scattered throughout. In addition, there are several small surface parking lots, as well as eight multi-story commercial parking structures, which are concentrated along Wells Street. Vacant land is limited to the northwestern portions of the RPA, particularly along Franklin Street and along the west bank of the South Branch of the Chicago River. A small number of parcels are occupied by railroad tracks, also along the Chicago River. The RPA does not include any residential uses, and there is one hotel along Adams Street. Existing land use is shown on Map 3, which shows the predominant land use by block.

### ***Historically Significant Structures***

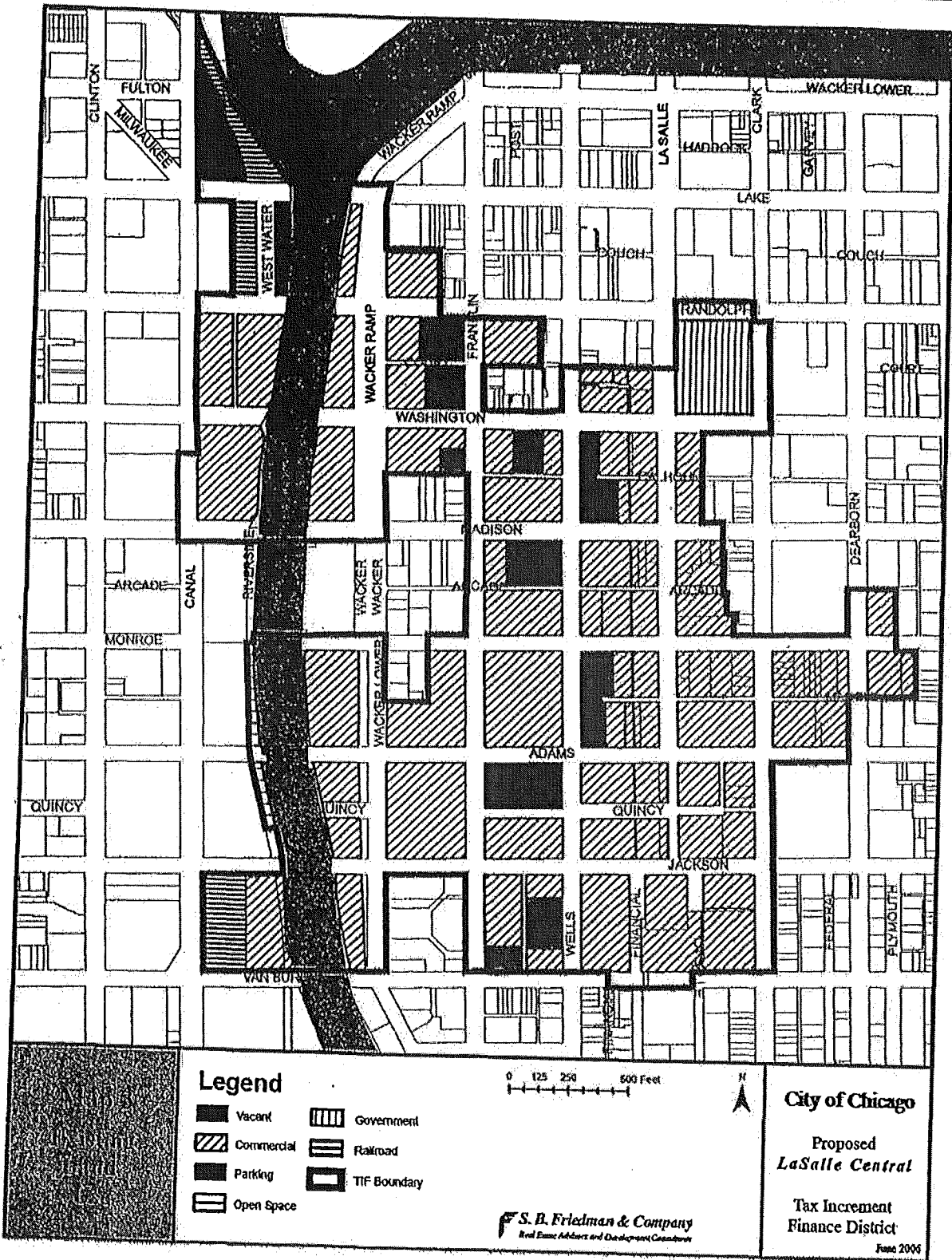
The portion of the Loop and the Near West Side covered by the proposed LaSalle Central RPA contains many buildings listed on the National Register of Historic Places, a federal landmark designation program. As a group, the historic buildings located within the proposed TIF district are an important concentration of buildings significant to the City's architectural, financial, business, cultural, and governmental history.

To identify architecturally and/or historically significant buildings located within the LaSalle Central RPA, *S. B. Friedman & Company* obtained data from the Chicago Historic Resources Survey (the "CHRS"). The CHRS identifies over 17,000 Chicago properties and contains information on buildings that may possess architectural and/or historical significance. Structures are classified according to a color-based coding system. Designation as "red" indicates that a structure is architecturally or historically significant in the context of the City of Chicago, State of Illinois, or the United States of America; designation as "orange" indicates that a structure is potentially significant in the context of the community in which it is located. Approximately 300 structures were designated as red by CHRS, and 9,600 were designated as orange.

*S. B. Friedman & Company* found eight buildings within the RPA which were designated as red by CHRS. These buildings, described using their addresses and historic names, are:

- Field Building, 135 S LaSalle Street
- Rookery Building, 209 S LaSalle Street
- Chicago Board of Trade, 141 W Jackson Boulevard
- Brooks Building, 223 W Jackson Boulevard
- City/County Building, 119 W Randolph Street
- Washington Block, 40 N Wells Street
- Civic Opera Building, 20 N Wacker Drive
- Marquette Building, 140 S Dearborn







In addition, *S. B. Friedman & Company* found 32 buildings and structures in the RPA which were designated orange by CHRS. These include:

- Midland Club, 170 W Adams Street
- One North LaSalle, 1 N LaSalle Street
- Foreman National Bank, 30 N LaSalle Street
- Lumber Exchange, 11 S LaSalle Street
- Central YMCA Headquarters, 19 S LaSalle Street
- New York Life Building, 39 S LaSalle Street
- Northern Trust, 50 S LaSalle Street
- State Bank Building, 120 S LaSalle Street
- City National Bank and Trust, 208 S LaSalle Street
- Continental Bank and Trust of Illinois, 231 S LaSalle Street
- Federal Reserve Bank of Chicago, 230 S LaSalle Street
- Insurance Exchange Building, 175 W Jackson Boulevard
- McKintock Building, 201 W Jackson Boulevard
- Clark-Adams Building, 111 W Adams
- Commonwealth Edison Building, 125 S Clark
- Chicago & Northwestern Railroad Building, 226 W Jackson Boulevard
- Madison Square, 123 W Madison Street
- Williams Building, 201 W Monroe Street
- 300 W Adams Street
- Equitable Building, 180 W Washington Street
- Chicago Federation of Musicians, 175 W Washington Street
- Elks Club, 176 W Washington Street
- Telephone Exchange, 301 W Washington Street
- Franklin Exchange Building, 311 W Washington Street
- Butler Building, 101 N Canal Street
- Chicago Daily News Building, 2 N Riverside Plaza
- Quincy/Wells El Station, 220 S Wells Street
- LaSalle/Van Buren El Station, 130 W Van Buren Street
- Lyric Opera Bridge, 10 S Wacker Drive
- Adams Street Bridge, 337 W Adams Street
- Monroe Street Bridge, 380 W Monroe Street
- Jackson Boulevard Bridge, 375 W Jackson Boulevard

*S. B. Friedman & Company* also identified buildings within the LaSalle Central RPA which have been designated Chicago Landmarks by the Commission on Chicago Landmarks. A total of 217 buildings in the City of Chicago have been individually designated as Chicago Landmarks. The following 10 buildings within the LaSalle Central RPA have been individually designated as Chicago Landmarks:

- Field Building, 135 S. LaSalle St.
- Rookery Building, 209 S. LaSalle St.
- Chicago Board of Trade, 141 W. Jackson Blvd.
- Brooks Building, 223 W. Jackson Blvd.
- City Hall/County Building, 119 W. Randolph St.
- Washington Block, 40 N. Wells St.
- Civic Opera Building, 20 N. Wacker Dr.
- One North LaSalle, 1 N. LaSalle St.
- Inland Steel Building, 30 W Monroe St.
- Marquette Building, 140 S Dearborn St.

### 3. Eligibility Analysis

#### *Provisions of the Illinois Tax Increment Allocation Redevelopment Act*

Based upon the conditions found within the LaSalle Central RPA at the completion of *S. B. Friedman & Company's* research, it has been determined that the LaSalle Central RPA meets the eligibility requirements of the Act as a conservation area. The following text outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "conservation" and/or "blighted area" district based upon an evidentiary finding of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved property. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a conservation area.

#### *Factors for Improved Property*

For improved property to constitute a "blighted area," a combination of five or more of the following thirteen eligibility factors listed at 65 ILCS 5/11-74.4-3 (a) and (b) must meaningfully exist and be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of fifty percent (50%) of the total structures within the area aged 35 years or older, plus a combination of three or more of the 13 eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

**Dilapidation.** An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

**Obsolescence.** The condition or process of falling into disuse. Structures have become ill-suited for the original use.

**Deterioration.** With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs,

gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

**Presence of Structures Below Minimum Code Standards.** All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

**Illegal Use of Individual Structures.** The use of structures in violation of the applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

**Excessive Vacancies.** The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

**Lack of Ventilation, Light or Sanitary Facilities.** The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

**Inadequate Utilities.** Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

**Excessive Land Coverage and Overcrowding of Structures and Community Facilities.** The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

**Deleterious Land Use or Layout.** The existence of incompatible land use relationships, buildings occupied by inappropriate mixed uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

**Environmental Contamination.** The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

**Lack of Community Planning.** The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

**Lack of Growth in Equalized Assessed Value.** The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

### *Factors for Vacant Land*

Under the provisions of the "blighted area" section of the Act, for vacant land to constitute a "blighted area," a combination of two or more of the following six factors must be identified as being present to a meaningful extent and reasonably distributed which act in combination to impact the sound growth in tax base for the proposed district.

**Obsolete Platting of Vacant Land.** Parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

**Diversity of Ownership.** Diversity of ownership is when adjacent properties are owned by multiple parties. When diversity of ownership of parcels of vacant land is sufficient in number to retard or impede the ability to assemble the land for development, this factor applies.

**Tax and Special Assessment Delinquencies.** Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

**Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land.** Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

**Environmental Contamination.** The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

**Lack of Growth in Equalized Assessed Value.** The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the "blighted area" section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five or more of the 13 "blighted area" eligibility factors for improved property listed above were present immediately prior to demolition of the area's structures.

The vacant "blighted area" section includes six other tests for establishing eligibility but none of these are relevant to the conditions within the LaSalle Central RPA.

### ***Methodology Overview and Determination of Eligibility***

Analysis of eligibility factors was done through research involving an extensive field survey of all property within the LaSalle Central RPA, and a review of building and property records and real estate industry data. Building and property records include building code violation citations, building permit data, assessor information, and information on the age and condition of sewer and water lines within the study area. Our survey of the area established that there are 101 primary structures and 273 tax parcels within the LaSalle Central RPA. Ancillary structures are excluded from this total. Ancillary structures include cashier's buildings for surface parking lots, as well as

a maintenance facility for the Chicago and Northwestern Railroad, located in the northwest portion of the RPA.

The LaSalle Central RPA was examined for qualification factors consistent with either the "blighted area" or "conservation area" requirements of the Act. Based upon these criteria, the property within the LaSalle Central RPA qualifies for designation as a "conservation area" as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present, and analyzed the distribution of the eligibility factors on a building-by-building and/or parcel-by-parcel basis and analyzed the distribution of the eligibility factors on a block-by-block basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings and/or parcels using structure-base maps, property files created from field observations, record searches, and field surveys. This information was then graphically plotted on a parcel map of the LaSalle Central RPA by block to establish the distribution of eligibility factors, and to determine which factors were present to a major extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent and reasonably distributed throughout the RPA. Minor factors are supporting factors present to a meaningful extent on some of the parcels or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

To reasonably arrive at this designation, *S. B. Friedman & Company* documented the existence of qualifying eligibility factors and confirmed that a sufficient number of factors were present within the LaSalle Central RPA and reasonably distributed.

Although it may be concluded under the Act that the mere presence of the minimum number of the stated factors may be sufficient to make a finding of the RPA as a conservation area, this evaluation was made on the basis that the conservation area factors must be present to an extent that indicates that public intervention is appropriate or necessary.

### ***Conservation Area Findings***

As required by the Act, within a conservation area, at least fifty percent (50%) of the buildings must be 35 years of age or older, and at least three of the 13 eligibility factors must be found present to a major extent within the LaSalle Central RPA.

Establishing that at least 50 percent of the LaSalle Central RPA buildings are 35 years of age or older is a condition precedent to establishing the area as a conservation area under the Act. Based on information provided by the Cook County Assessor's office, we have established that of the 101 buildings located within the LaSalle Central RPA, 64 (63 percent) are 35 years of age or older.

In addition to establishing that LaSalle Central RPA meets the age requirement, our research has revealed that the following six factors are present to a major extent:

1. Lack of Growth in Equalized Assessed Value (EAV);
2. Inadequate Utilities;
3. Excessive Vacancies;
4. Presence of Structures Below Minimum Code Standards;
5. Deterioration; and
6. Obsolescence.

Based on the presence of these factors, the RPA exceeds the minimum requirements of a "conservation area" under the Act.

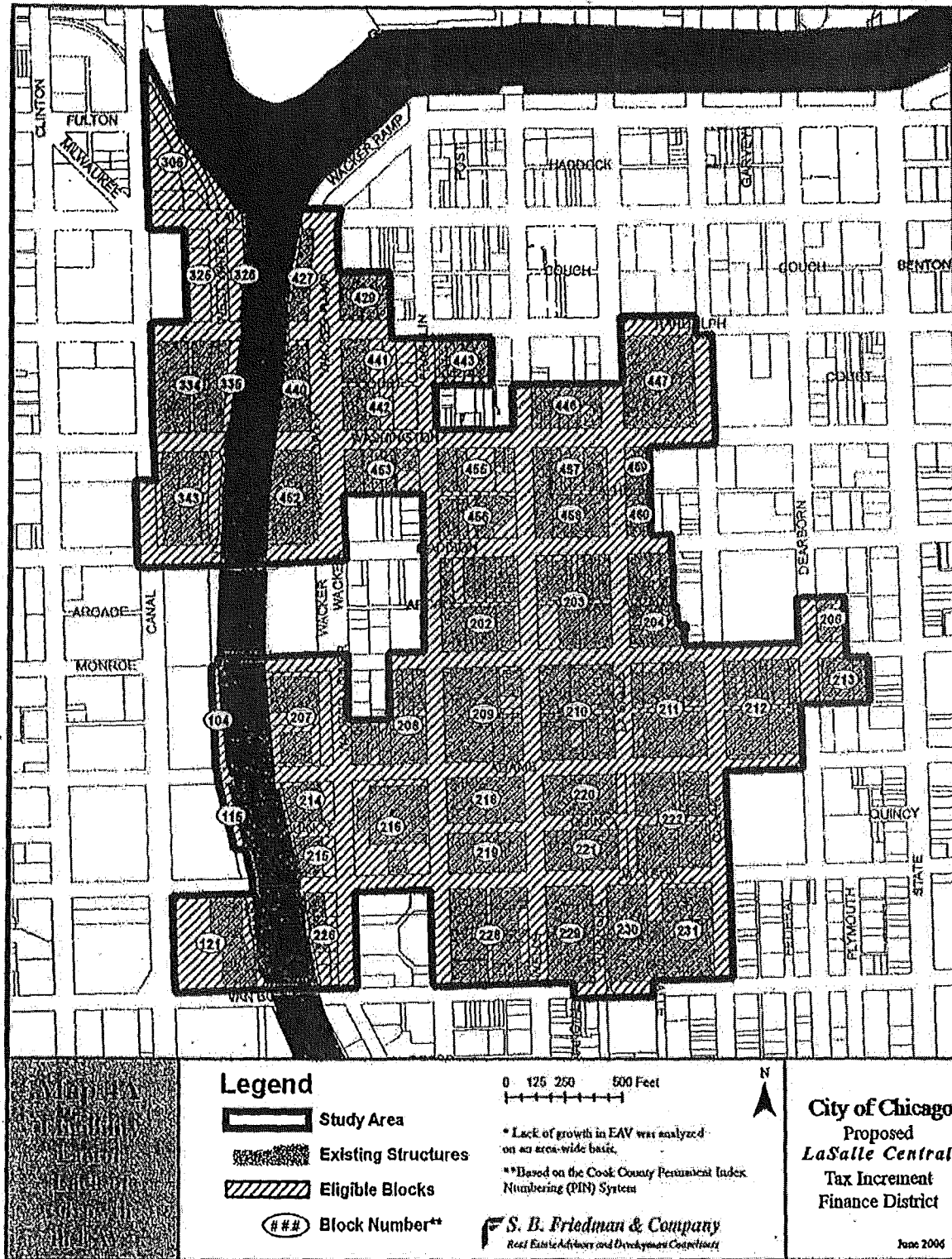
Overall, the growth in equalized assessed value of the RPA has fallen behind that of the balance of the City for four out of the last five years. More than half of the parcels within the RPA are serviced by inadequate utilities, particularly sewer lines which are overdue for repair/replacement. Half of the parcels within the RPA either contain deteriorated buildings, or are served by deteriorated infrastructure, including cracked or crumbling sidewalks, deteriorated alleys and deteriorated roadways; in addition, the entire RPA is at risk due to the deterioration of Wacker Drive, the area's primary arterial road. Furthermore, 33 buildings suffer from excessive vacancies; this constitutes 38 percent of all buildings containing for-lease space. Forty-eight buildings are considered obsolescent, and 45 buildings are below minimum code standards; this constitutes 52 percent and 48 percent, respectively, of all buildings excluding parking garages. The high cost of upgrading these obsolete and non-compliant structures, coupled with the excessive vacancy rate of buildings within the area, increases the likelihood that buildings within the RPA will fall into disrepair or disuse.

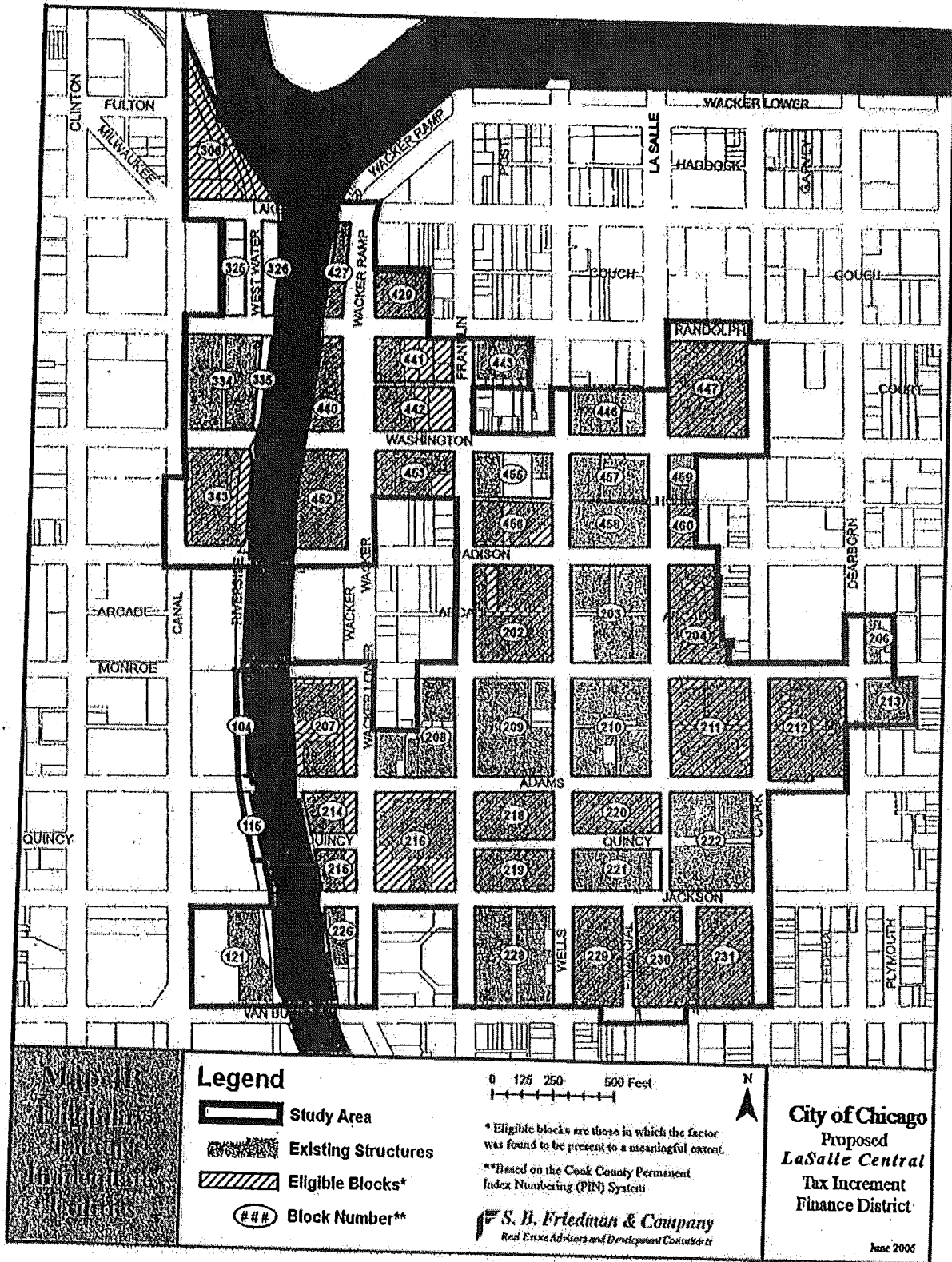
Maps 4A through 4F illustrate the presence and distribution of these eligibility factors on a block-by-block basis within the RPA. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the LaSalle Central RPA.

#### **1. Lack of Growth in Equalized Assessed Value**





Total Equalized Assessed Value (EAV) is a measure of the value of property within the LaSalle Central RPA. During four of the previous five years, the total growth in EAV of the LaSalle Central RPA has not kept pace with that of the balance of the City of Chicago. This lack of growth in EAV is an indication that the RPA suffers from a lack of private investment as compared to the balance of the City of Chicago.

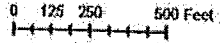






**Legend**

-  Study Area
-  Existing Structures
-  Eligible Blocks\*
-  Block Number\*\*

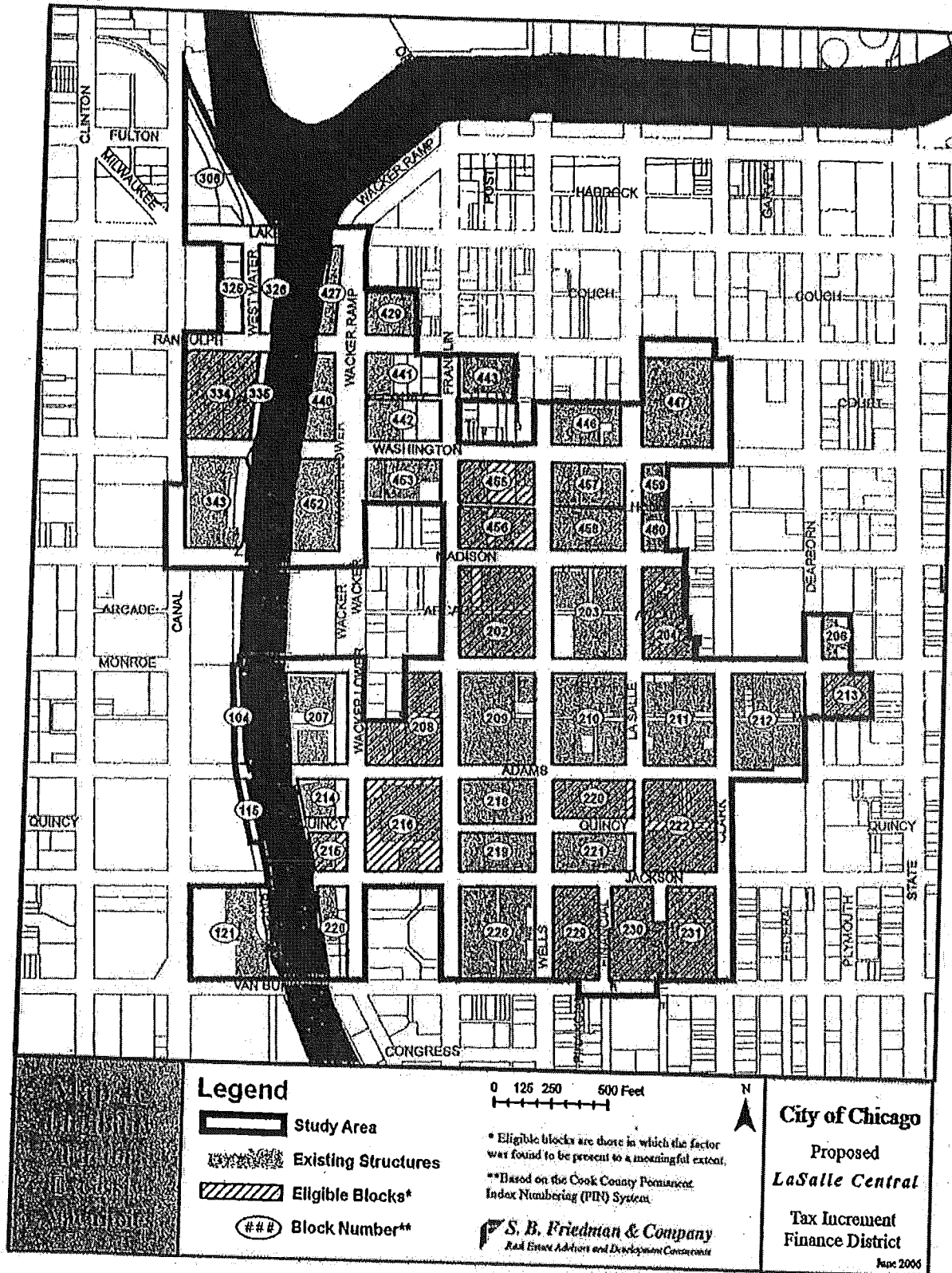


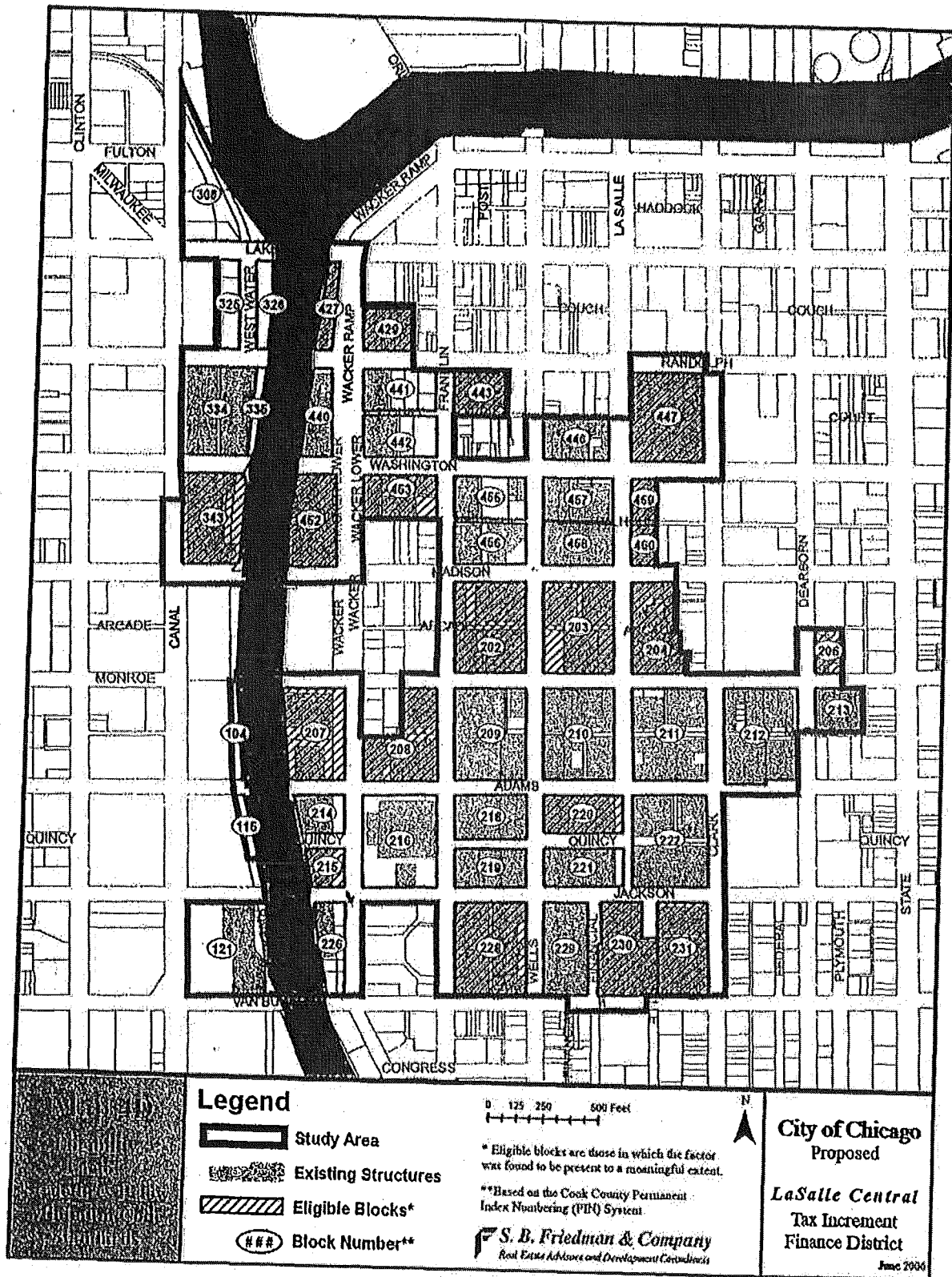
\* Eligible blocks are those in which the factor was found to be present to a meaningful extent.  
 \*\*Based on the Cook County Permanent Index Numbering (PIN) System

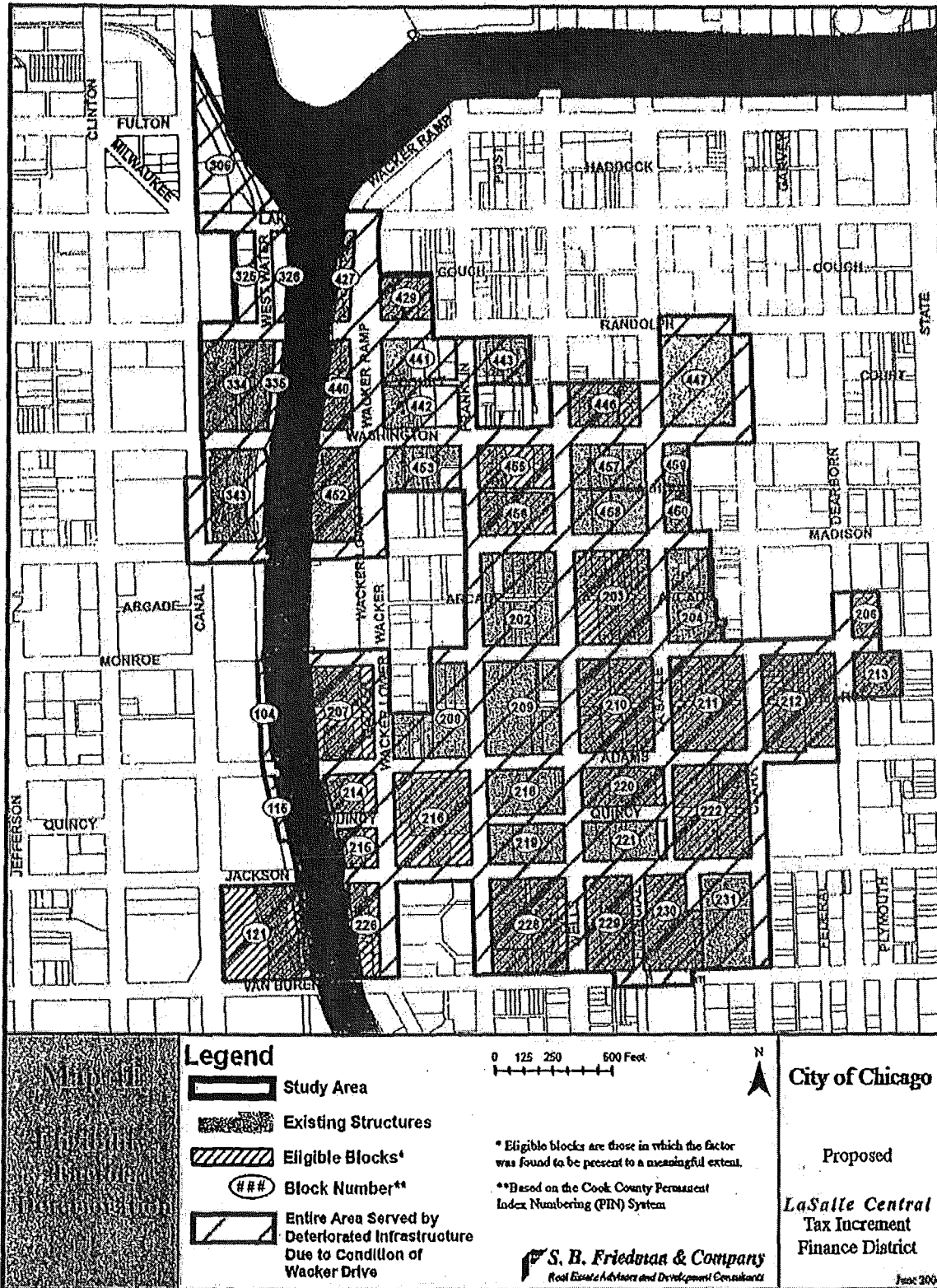
**S. B. Friedman & Company**  
 Real Estate Advisors and Development Consultants

**City of Chicago**  
 Proposed  
**LaSalle Central**  
 Tax Increment  
 Finance District

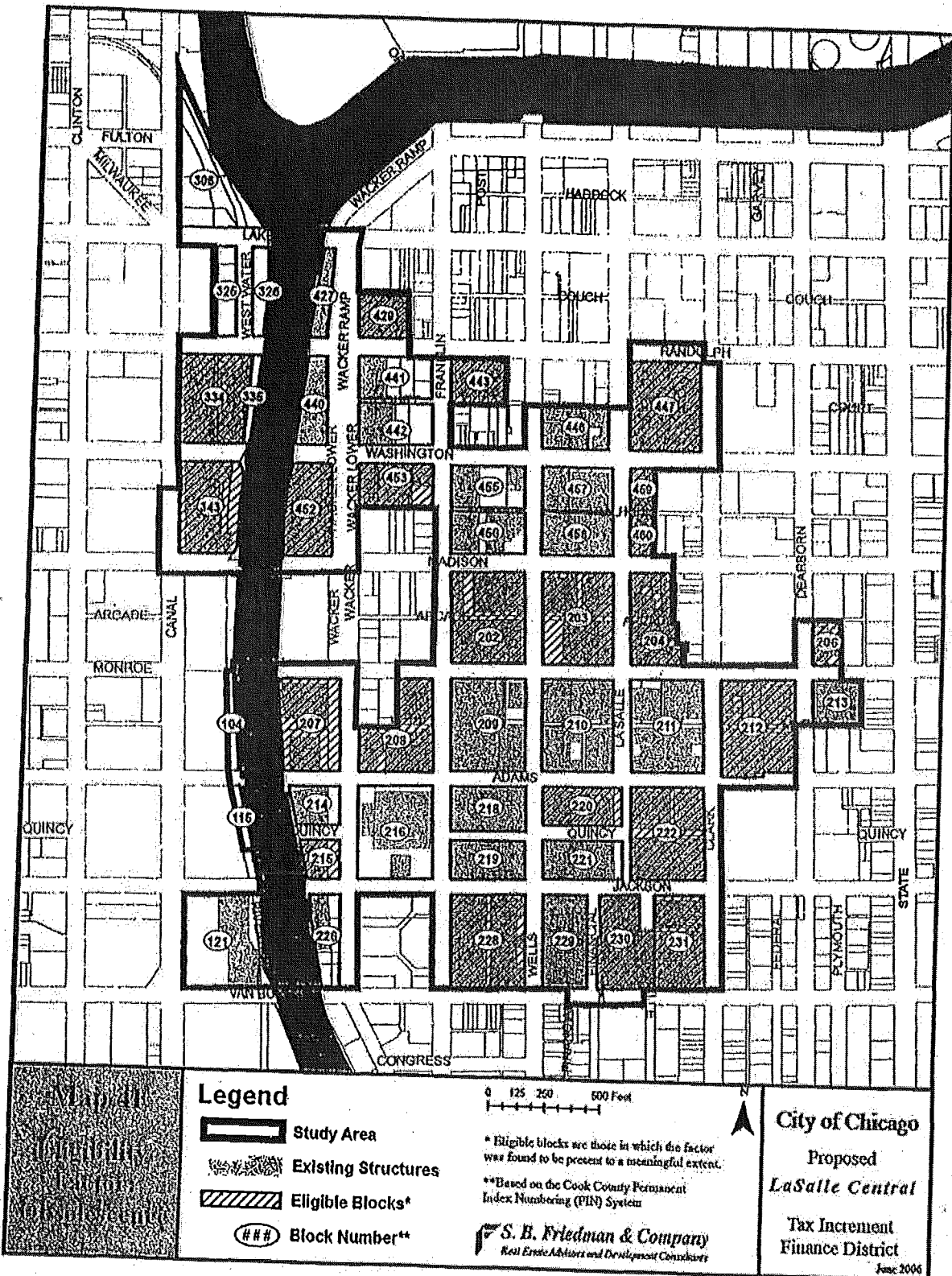
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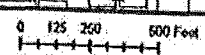








- Legend**
- Study Area
  - Existing Structures
  - Eligible Blocks\*
  - Block Number\*\*



\* Eligible blocks are those in which the factor was found to be present to a meaningful extent.  
 \*\*Based on the Cook County Permanent Index Numbering (PIN) System

**S. B. Friedman & Company**  
 Real Estate Advisors and Development Consultants



**City of Chicago**  
 Proposed  
**LaSalle Central**  
 Tax Increment  
 Finance District  
 June 2006

**TABLE 1: Percent Change in Annual Equalized Assessed Value (EAV)**

	Percent Change in EAV 2000/2001	Percent Change in EAV 2001/2002	Percent Change in EAV 2002/2003		Percent Change in EAV 2004/2005
LaSalle Central RPA	3.24%	5.76%	12.19%		2.75%
City of Chicago (Balance of)	3.75%	8.16%	17.71%		7.65%

## 2. Inadequate Utilities

A review of the City's water and sewer atlases found that inadequate underground utilities affect 140 (or 51 percent) of the 273 tax parcels in the LaSalle Central RPA. This is due primarily to the number of antiquated sewer lines in the RPA, many of which were installed before the Chicago Fire of 1871. These lines have surpassed their 100-year service lives and are in need of replacement.<sup>2</sup>

Due to the age and condition of the sewer and water lines, inadequate utilities was found to be present to a meaningful extent on 26 blocks (53 percent) of the 49 blocks within the LaSalle Central RPA.

## 3. Excessive Vacancies

To evaluate vacancy levels within the LaSalle Central RPA, *S. B. Friedman & Company* utilized several sources of data. Data on vacancy rates was obtained primarily through CoStar, a real estate industry database which tracks rents and vacancy rates for individual buildings in the Chicago CBD. CoStar obtains its data through monthly interviews with the owners, managers and leasing agents of office buildings, and is a widely respected source of information among real estate professionals. In addition, data on historic vacancy rates in the CBD was culled from reports published by Frain Camins & Swartzchild, as well as *Black's Guide*, a quarterly publication which tracks available space in various office markets. Finally, data from these publications was supplemented with field observations, which captured small office and retail buildings not covered by CoStar.

During the first quarter of 2006, the Chicago CBD exhibited an overall office vacancy rate of 16.85 percent.<sup>3</sup> This is slightly above the average vacancy rate of 15.73 percent for the Chicago CBD office market during the twenty-year period from 1985 to 2005. The LaSalle Central RPA, however, exhibited a vacancy rate of 19.65 percent during the first quarter of 2006. This is nearly three percentage points above the average for the CBD. During the past twenty years, the CBD has

<sup>2</sup> The City of Chicago Department of Water Management defines the projected service life as 100 years.

<sup>3</sup> CoStar, March 2006.

exhibited an overall office market vacancy rate in excess of 19 percent during only three years: 1991, 1992 and 1993.

For the purposes of this study, any building which exhibits a vacancy rate of 19 percent or more is considered to be excessively vacant. Of the 101 buildings in the LaSalle Central RPA, eight are commercial parking structures, and six are occupied by institutional single users, such as the City of Chicago, Cook County and the City Colleges of Chicago. Of the remaining 87 buildings containing for-lease space, 33 buildings (or 38 percent) exhibit excessive vacancies. Moreover, the LaSalle Central RPA contains numerous buildings which are either extremely vacant or have experienced persistent vacancies. The LaSalle Central RPA contains less than one third of the total office space in the CBD, but contains 68 percent of the CBD's extremely vacant large office buildings.<sup>4</sup> In addition, 14 buildings in the RPA have experienced persistently excessive vacancies (i.e. vacancy rates in excess of 20 percent for five of the previous ten years).

These excessive vacancy rates appear to be linked to the migration of many firms to new office buildings on the periphery of the CBD. Nine of the 33 excessively vacant buildings in the RPA are located along a four-block stretch of South LaSalle Street, producing a concentrated and deleterious impact on the traditional financial district of the City of Chicago. Nine are historically or architecturally significant buildings. Such vacancy levels put these buildings at risk for falling into disrepair. Finally, three of the excessively vacant buildings in the RPA have recently lost major tenants to newer office buildings in the West Loop. This trend is likely to continue, as tenants seek out buildings with more modern amenities and easier access to commuter rail stations.

Overall, of the 42 blocks in the LaSalle Central RPA that contain buildings (excluding blocks with no buildings and blocks containing only parking structures), 14 blocks (or 33 percent) were determined to exhibit excessive vacancies to a meaningful extent.

#### **4. Presence of Structures Below Minimum Code Standards**

Structures below minimum code standards are those that do not meet applicable standards of zoning, subdivision, building, fire, and other governmental codes. The principal purpose of such codes is to protect the health and safety of the public. As such, structures below minimum code standards may jeopardize the health and safety of building occupants, pedestrians, or occupants of neighboring structures. These buildings may not be in violation of a particular code; nevertheless those below current development standards may present a health or safety hazard.

With the assistance of the Bureau of Fire Prevention and the Department of Buildings, *S. B. Friedman & Company* reviewed Life Safety Data Sheets and Life Safety Evaluations submitted by owners and managers of properties within the LaSalle Central RPA to determine whether these buildings meet contemporary standards for fire safety, including the provision of sprinklers, smoke detectors, fire-rated partitions, and proper means of egress. Of the 93 buildings within the LaSalle Central RPA (excluding parking garages), it was determined that 41 buildings (or 44 percent) did not meet contemporary standards for fire safety.

<sup>4</sup> Extremely vacant large office buildings are those containing at least 100,000 rentable square feet and which are more than 30 percent vacant.



In addition, *S. B. Friedman & Company* analyzed data provided by the City's Department of Buildings, and determined that building code violation citations have been issued for fourteen buildings within the LaSalle Central RPA during the previous five years. This constitutes 15 percent of buildings within the RPA. Thirteen of these buildings are more than 35 years of age, and ten are more than 70 years old. This underscores the potential for many older buildings within the RPA to fall into disrepair and disuse.

Overall, 45 buildings within the RPA (48 percent) were found to be below minimum code standards. Structures below minimum code standards were found to be present to a meaningful extent on 20 of the 42 blocks in the RPA which contain occupied buildings (i.e., excluding blocks without buildings and blocks with only parking structures). This constitutes 48 percent of all blocks which contain occupied buildings.

## 5. Deterioration

Deterioration of public improvements is evident throughout the LaSalle Central RPA. Of particular concern is the deterioration of Wacker Drive. Wacker Drive is a two-level, two-way road which runs along the South and Main branches of the Chicago River. It is the principal thoroughfare within the LaSalle Central RPA, carrying 29,500 vehicles per day on its upper level and 29,000 vehicles per day on its lower level in 1996. It is classified as an Urban Arterial TS-1 by Federal Highway Administration standards. This is defined as a road having "the principal purpose of expediting the movement of traffic by providing mobility for long distances at relatively high speeds." All other streets in the RPA are classified as Collector Streets or Local Streets by FHA standards. As such, Wacker Drive is the principal arterial serving the RPA and its condition impacts the entire area. The thoroughfare serves as the primary connection between the CBD and points south and west, as it provides direct access to Interstates 90, 94, and 290. Moreover, the majority of buildings along Wacker Drive use the lower level of the street for loading and docking, further increasing the importance of the thoroughfare for the commercial viability of the Central Business District.

In 1999, CDOT completed an assessment of conditions on Wacker Drive that found the presence of severe deterioration, including:

- Large areas of map cracking;
- Open cracks with efflorescence;
- Significant delamination of previous shotcrete repairs;
- Spalled and delaminated concrete;
- Exposed and corroded reinforcing steel;
- Extensive chloride infiltration; and
- Loss of structural capacity.

Since 1999, the east-west portion of Wacker Drive has been completely reconstructed to remedy these conditions. However, the north-south section, which serves the LaSalle Central RPA, has not been upgraded to ameliorate the deterioration of the roadway, and this deterioration is visible

throughout its upper and lower levels. Such conditions threaten the continued viability of Wacker Drive and could lead to the eventual closing of portions of the roadway.

In addition, many of the sidewalks and alleys along Wells Street exhibit deterioration due to vibrations caused by the Chicago Transit Authority's elevated trains, as well as the frequent ingress and egress of automobiles from the street's many public parking facilities. The sidewalks surrounding Union Station also exhibit deterioration, including surface cracking, crumbling and depressions, as do elements of the structure built over the train tracks south of Jackson Boulevard. Finally, this factor was given to those buildings where interior and/or exterior deterioration could be documented through surveys or interview.

Overall, 138 parcels within the RPA (51 percent) are either directly served by deteriorated infrastructure (such as alleys, streets, and sidewalks), or contain buildings which exhibit deterioration. The factor is present to meaningful extent on 25 blocks (51 percent) within the study area. In addition, because Wacker Drive is a principal arterial serving the Chicago CBD, the entire district is considered to suffer the impacts of deteriorated infrastructure.

## 6. Obsolescence

Obsolescence is defined as the condition or process of falling into disuse. Buildings become obsolescent when some feature, such as the building's location, causes the property to be rejected by the market. This market rejection results in increased vacancies, reduced rents and/or diminished building values. Such a weakened market position can inhibit the ability of property owners and managers to invest in their properties, exacerbating the disadvantages of the property, and resulting in further disuse. As such, persistently excessive vacancy levels and/or extremely low rents are an indication that a building is obsolescent. For the purposes of this study, any building which exhibits a vacancy rate of 20 percent or more and which has exhibited vacancy levels of this severity for five of the last ten years is considered to exhibit obsolescence. In addition, any building which commands net rents of less than \$5 per square foot is considered obsolescent; such low rent levels indicate that the building can no longer attract tenants at rents sufficient to finance maintenance and improvements.

Vacancy and rent levels reflect the ability of a property to compete in the marketplace. Often this is linked to the design and configuration of the property. Functional obsolescence exists when the design and/or configuration of a building limits its competitiveness in the marketplace. In the context of the Chicago CBD, functional obsolescence is generally attributable to the changing demands of office users. Many office buildings in the LaSalle Central RPA, for example, were designed before the widespread availability of fluorescent lighting and HVAC systems; as such, they were designed with small floorplates in order to maximize natural light and ventilation. Similarly, many office buildings contain interior load-bearing walls and columns which limit the possible configurations of space by tenants. Mechanical systems in many older buildings, such as elevators or loading facilities, may be insufficient for modern users. In addition, many older buildings in the RPA do not contain modern fire protection systems, which creates a potential hazard and may be a concern for tenants looking to sign or renew leases. Accordingly, any building which does not contain modern fire protection systems, including sprinklers, is

considered obsolescent for the purposes of this study. Obsolescence was also given to buildings where evidence of obsolete building systems could be documented through surveys or interviews.

Of the 93 buildings in the LaSalle Central RPA (excluding parking garages), 48 buildings (52 percent) display obsolescence. Overall, of the 42 blocks in the LaSalle Central RPA that contain buildings (excluding blocks with no buildings and blocks containing only parking structures), 22 blocks (52 percent) were determined to exhibit obsolescence to a meaningful extent.

## **4. Redevelopment Plan & Project**

### ***Redevelopment Needs of the LaSalle Central RPA***

The existing land use pattern and conditions in the LaSalle Central RPA suggest three redevelopment needs for the area:

1. Maintaining the competitiveness and viability of older office buildings, and preserving architecturally and historically significant buildings;
2. Expanding open space and improving the public realm; and
3. Attracting and retaining businesses and major employers, particularly corporate headquarters.

The Redevelopment Plan and Project identifies tools the City will use to guide redevelopment in the LaSalle Central RPA to create, promote, and sustain a vibrant mixed use community.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the LaSalle Central RPA. The proposed public improvements outlined in the Redevelopment Plan and Project will help to create an environment conducive to private investment and redevelopment within the LaSalle Central RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to rehabilitate older buildings, improve or repair RPA public facilities and/or infrastructure, and provide streetscape improvements. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

### ***Goals, Objectives, and Strategies***

Goals, objectives, and strategies are designed to address the need for redevelopment within the overall framework of the Redevelopment Plan and Project for the use of anticipated tax increment funds generated within the LaSalle Central RPA.

**Goal.** The overall goal of the Redevelopment Plan is to reduce or eliminate the conditions that qualify the LaSalle Central RPA as a conservation area, and thus to secure the Loop's future as the business and employment center of the Chicago metropolitan region. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in rehabilitation of existing structures and new development.

**Objectives.** Thirteen broad objectives support the overall goal of area-wide revitalization of the LaSalle Central RPA. These include:

1. Provide resources for the rehabilitation and modernization of existing structures, particularly historically and architecturally significant buildings;

2. Encourage high-quality commercial and retail development which enhances the architectural character of the area, promotes a lively pedestrian environment, and attracts unique retailers to the area;
3. Promote the RPA as a center of employment and commercial activity, through the attraction and retention of major employers and corporate headquarters, and by providing assistance to small and/or growing businesses;
4. Improve the quality of existing open space and provide additional public open space through streetscaping and provision of new plazas, parks and public gathering spaces;
5. Provide resources for improvements to the Chicago River wall and riverwalk, and promote the recreational use of the River;
6. Promote a pedestrian-friendly environment, particularly along streets designated as Pedestrian and Mobility Streets in the Chicago Zoning Ordinance, and improve connections in the underground pedway system;
7. Improve vehicular circulation throughout the RPA, through improvements to streets, alleys and loading areas;
8. Improve transit and transit stations within the RPA, and advance the development of the Monroe Avenue Transitway;
9. Replace or repair public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, alleys, bridges and viaducts;
10. Encourage environmentally-sensitive development, including development that incorporates green roofs and that achieves LEED certifications;
11. Provide opportunities for women-owned, minority-owned, and locally-owned businesses to share in job opportunities associated with the redevelopment of the LaSalle Central RPA, particularly in the design and construction industries;
12. Support job training and welfare to work programs and increase employment opportunities for City residents; and
13. Provide daycare assistance to support employees of downtown businesses.

**Strategies.** These objectives will be implemented through five specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the LaSalle Central RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development.

Public improvements that are implemented with TIF assistance are intended to complement and not replace existing funding sources for public improvements in the RPA.

These improvements may include improvement of new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support Rehabilitation of Existing Buildings.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners, to undertake rehabilitation and redevelopment projects and other improvements, in addition to programming such as job training and retraining, that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

The City requires that developers who receive TIF assistance for market-rate housing set aside twenty percent (20 percent) of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means that affordable for-sale housing units should be priced at a level that is affordable to persons earning no more than one hundred percent (100 percent) of the area median income, and affordable rental units should be affordable to persons earning no more than sixty percent (60 percent) of the area median income. TIF funds can also be used to pay for up to fifty percent (50 percent) of the cost of construction, or up to seventy five percent (75 percent) of interest costs for new housing units to be occupied by low-income and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act.

3. **Assist Employers Seeking to Relocate or Expand Facilities.** The City may provide assistance to businesses and institutions that are major employers and which seek to relocate to or expand within the LaSalle Central RPA. This assistance may be provided through support of redevelopment and rehabilitation projects in existing buildings, assistance with land acquisition and site preparation for new facilities, or assistance with financing costs.
4. **Develop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the LaSalle Central RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites is anticipated to have a positive impact on other properties beyond the individual project sites.

5. **Facilitate Property Assembly, Demolition, and Site Preparation.** Financial assistance may be provided to private developers seeking to acquire land, and to assemble and prepare sites in order to undertake projects in support of this Redevelopment Plan and Project.

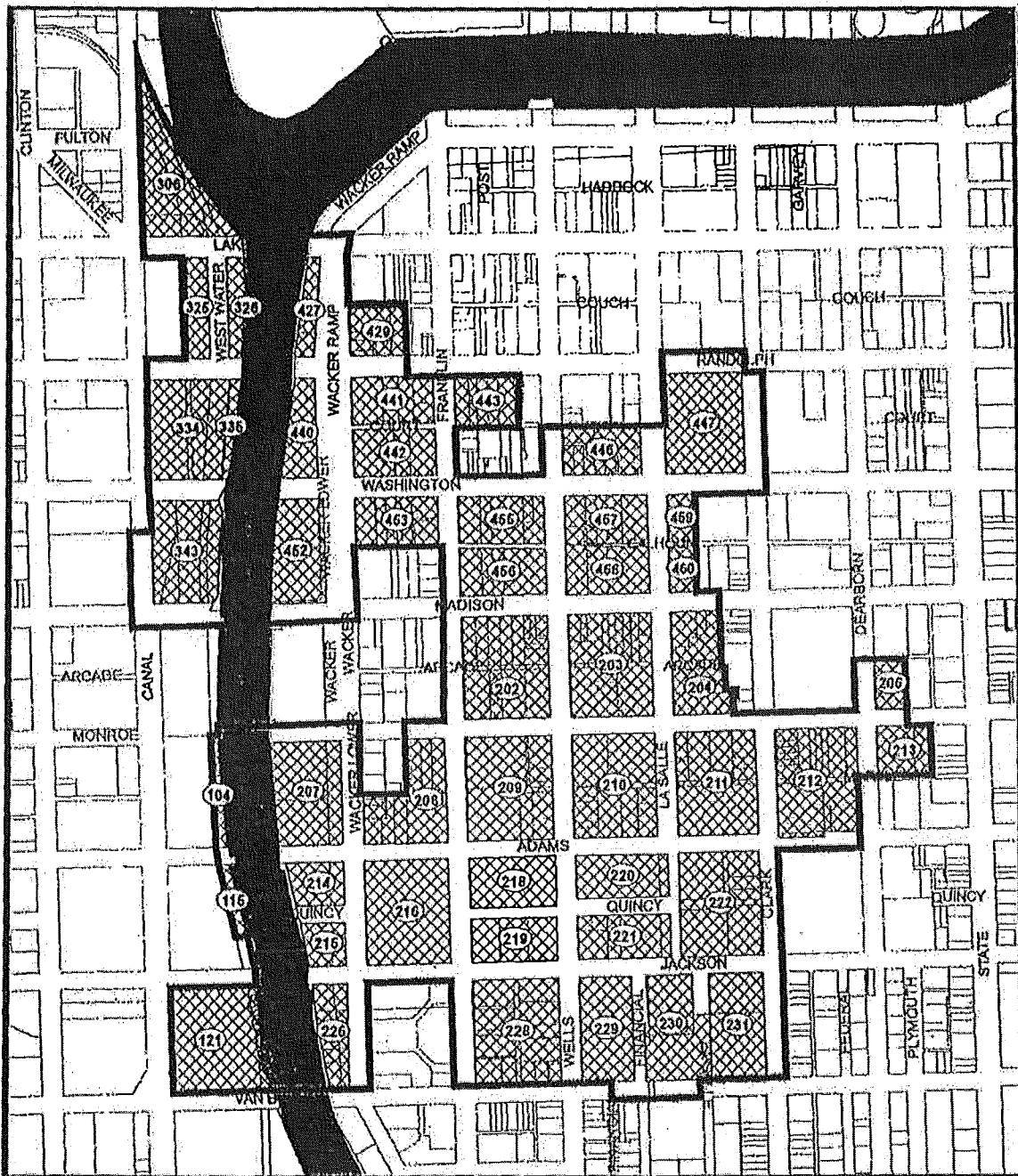
To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs, and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance, or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

These activities are representative of the types of projects contemplated to be undertaken during the life of the LaSalle Central RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Furthermore, additional projects may be identified throughout the life of the LaSalle Central RPA. To the extent that these projects meet the goals, objectives, and strategies of this Redevelopment Plan and Project and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

### *Proposed Future Land Use*

The proposed future land use of the LaSalle Central RPA reflects the objectives of the Redevelopment Plan and Project, which are to maintain the competitiveness of older office buildings, preserve architecturally and historically significant buildings, expand open space, improve the public realm, attract and retain businesses and major employers, and maintain and improve traffic circulation, public transit, and pedestrian connectivity.

The proposed future land use for the study area is as a Downtown Core mixed-use district, as shown on Map 5. This proposed future land use is consistent with the current zoning of the RPA, which is as a Downtown Core ("DC") district. The proposed future land use within the RPA includes all of the uses that are allowed under DC zoning, including office, commercial, public/institutional, recreational, entertainment and residential, as well as open space. The proposed future land uses shown on Map 5 are the predominant uses by block and are not exclusive of any other uses.



	<p><b>Legend</b></p> <p> Study Area</p> <p> Downtown Core Mixed Use</p> <p> Block Number*</p>	<p>0 125 250 500 Feet</p> <p>*Based on the Cook County Permanent Index Numbering (PIN) System</p> <p><b>S. B. Friedman &amp; Company</b> Real Estate Advisors and Development Consultants</p>	<p><b>City of Chicago</b></p> <p>Proposed <b>LaSalle Central</b> Tax Increment Finance District</p> <p>Feet 2006</p>
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***Assessment of Housing Impact***

As set forth in the Act, if the redevelopment plan for the redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment plan.

As of June 28, 2006, the RPA contains no occupied residential units. Therefore, a housing impact study is not required, and has not been prepared.

## ***5. Financial Plan***

### ***Eligible Costs***

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan and Project (the "Redevelopment Project Costs.")

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan and Project including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
2. The costs of marketing sites within the RPA to prospective businesses, developers and investors;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the RPA and such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Loop and Near West Community Areas with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;

7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Project;
9. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or by Section 74.4-3(n)(7) of the Act;
10. Payment in lieu of taxes as defined in the Act;
11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
12. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - b. Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;

- c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the redeveloper for the redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;
  - e. For the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of seventy-five percent (75%) shall be substituted for thirty percent (30%) in subparagraphs 12b and 12d above;
13. Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
14. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
15. Instead of the eligible costs provided for in 12b, 12d, and 12e above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act; and
16. The costs of daycare services for children of employees from low-income families working for businesses located within the RPA and all or a portion of the cost of operation of day care centers established by RPA businesses to serve employees from low-income families working in businesses located in the RPA. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

**Estimated Redevelopment Project Costs**

The estimated eligible costs that are deemed to be necessary to implement this Redevelopment Plan and Project are shown in Table 2. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Plan, to the extent permitted by the Act. Additional funding in the form of State, Federal, County, or local grants, private developer contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

**TABLE 2: Estimated Redevelopment Project Costs**

<b>Eligible Expenses</b>	<b>Estimated Project Costs</b>
<b>Professional Services (including analysis, administration, studies, surveys, legal, marketing, etc.)</b>	<b>\$10,000,000</b>
<b>Property Assembly (including acquisition, site preparation, demolition, and environmental remediation)</b>	<b>\$50,000,000</b>
<b>Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements</b>	<b>\$200,000,000</b>
<b>Eligible Construction Costs (Affordable Housing Construction Costs)</b>	<b>\$25,000,000</b>
<b>Relocation Costs</b>	<b>\$30,000,000</b>
<b>Public Works or Improvements (including streets and utilities, parks and open space, public facilities (schools &amp; other public facilities) (1)</b>	<b>\$200,000,000</b>
<b>Job Training, Retraining, Welfare-to-Work</b>	<b>\$10,000,000</b>
<b>Interest Subsidy</b>	<b>\$20,000,000</b>
<b>Day Care Services</b>	<b>\$5,000,000</b>
<b>TOTAL REDEVELOPMENT COSTS (2), (3), (4)</b>	<b>\$550,000,000</b>

(1) This category also may include paying for or reimbursing (i) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

(2) Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

(3) The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and

are paid, from incremental property taxes generated in the RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

(4) All costs are in 2006 dollars and may be increased by five percent (5%) after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in Table 2 are anticipated, and may be made by the City without amendment to the Redevelopment Plan and Project to the extent permitted by the Act. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

In the event the Act is amended after the date of the approval of this Redevelopment Plan and Project by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Redevelopment Plan and Project shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan and Project, to the extent permitted by the Act. In the event of such amendment(s), the City may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Redevelopment Plan and Project, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan and Project.

### *Phasing and Scheduling of the Redevelopment*

Each private project within the LaSalle Central RPA shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City and approved by the City Council. Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan and Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31<sup>st</sup> of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this Redevelopment Plan and Project is adopted (by December 31, 2030, if the ordinances establishing the RPA are adopted during 2006).

### *Sources of Funds to Pay Costs*

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations

are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The LaSalle Central RPA is contiguous to or separated by only a public right-of-way from the Central Loop RPA, the River West RPA, the River South RPA, and the Canal/Congress RPA, and may in the future, be contiguous to, or be separated only by a public right-of-way from other redevelopment areas created under the Act. The City may utilize net incremental property taxes received from the LaSalle Central RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the RPA, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The LaSalle Central RPA may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the RPA, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Plan that net revenues from the RPA be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the RPA to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the RPA and such areas. The amount of revenue from the RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

### *Issuance of Obligations*

To finance project costs, the City may issue bonds or obligations secured by Incremental Property Taxes generated within the LaSalle Central RPA pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Eligibility Study and Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Eligibility Study and Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the RPA in the manner provided by the Act.

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

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the LaSalle Central RPA is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the LaSalle Central RPA. The 273 tax parcels comprising the RPA have a total estimated EAV of \$4,173,759,000 in the 2005 tax year. The 2005 total EAV amount by PIN is summarized in Appendix 2. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County.

### *Anticipated Equalized Assessed Valuation*

By 2029, the EAV for the LaSalle Central RPA will be approximately \$7.5 billion. This estimate is based on several key assumptions, including: 1) an inflation factor of two-and-one-half percent (2.5 percent) per year on the EAV of all properties within the LaSalle Central RPA, with its cumulative impact occurring in each triennial reassessment year; and 2) an equalization factor of 2.7320 throughout the life of the RPA.



## 6. Required Findings and Tests

### *Lack of Growth and Private Investment*

In order to assess the rate of private investment in the LaSalle Central RPA, *S. B. Friedman & Company* obtained and analyzed data for all building permits issued within the RPA between 2000 and 2005. This data was provided by the Department of Buildings. In addition, tax assessment data provided by the Cook County Assessor was analyzed for both the RPA and the City of Chicago.

As discussed in the Eligibility Study above, the Equalized Assessed Value (EAV) of the LaSalle Central RPA has not kept pace with that of the balance of the City of Chicago for four of the previous five years. During this time period, the EAV of the RPA grew at a compound annual growth rate of 6.95 percent; this rate of growth is 24 percent lower than the compound annual growth rate for the balance of the City, which was 9.17 percent. This indicates that private investment in the RPA has been low relative to the rest of the City of Chicago.

Private investment within the RPA has also lagged behind the rest of the Chicago CBD. The LaSalle Central RPA has not seen construction of any new office buildings since 1992, and a review of building permit data indicates that no new buildings are currently planned for the area. The remainder of the CBD, on the other hand, has seen substantial private investment in office buildings since 2000. Fourteen major office buildings have been completed in downtown Chicago since 2000, and more than 16 million square feet of office space has been added to the Chicago CBD during this time period. In addition, four major office buildings are currently under construction in the CBD; none of these developments are located within the LaSalle Central RPA.

The total value of building permits issued for the LaSalle Central RPA during this time period was \$366 million.<sup>5</sup> These permits were primarily for buildout of tenant spaces. This figure constitutes approximately 1.82 percent of the total assessor's market value for the RPA per year.<sup>6</sup> This rate of investment is very low when compared to the overall value of properties within the RPA. To put this level of investment in perspective, the annual depreciation rate for office properties established by the Internal Revenue Service is approximately 2.56 percent. This suggests that investment in the LaSalle Central RPA is insufficient to keep pace with normal depreciation of property values. Moreover, approximately 38 percent of the value of building activity in the RPA was concentrated in 13 buildings. Private investment in the remaining 88 buildings in the RPA is therefore even further below levels required to maintain property value.

Given the extensive infrastructure needs of the LaSalle Central RPA, as well as the high cost of rehabilitating structures that have become obsolescent or have fallen below current standards for new development, it is unlikely that the LaSalle Central RPA will see substantial private

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<sup>5</sup> This figure excludes permits issued for demolition and for repairs performed by order of the Department of Buildings.

<sup>6</sup> The assessor's market value for 2005 was approximately \$4.0 billion. This is based on a total assessed value for the RPA of \$1.53 billion. In addition, an assessment-to-value ratio for commercial properties of 38 percent is assumed.

investment without public intervention like that envisioned in this Redevelopment Plan and Project.

*Finding: The Redevelopment Project Area (LaSalle Central RPA) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and Project.*

### ***Conformance to the Plans of the City***

The LaSalle Central Redevelopment Plan and Project must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the Chicago Plan Commission.

The proposed land uses described in this Redevelopment Plan and Project will be approved by the Chicago Plan Commission prior to its adoption by the City Council.

### ***Dates of Completion***

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5, above.

### ***Financial Impact of the Redevelopment Project***

As explained above, without the adoption of this Redevelopment Plan and Project and tax increment financing, the LaSalle Central RPA is not expected to see substantial investment from private enterprise. As a result, there is a genuine threat that property values in the area will stagnate or decline. This would lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. If a redevelopment project is successful, various new projects may be undertaken that will assist in alleviating blighting conditions, creating new jobs, and promoting both public and private development in the LaSalle Central RPA.

This Redevelopment Plan and Project is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the LaSalle Central RPA. At the time when the LaSalle Central RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the LaSalle Central RPA will be distributed to all taxing districts levying taxes against property located in the LaSalle Central RPA. These revenues will then be available for use by the affected taxing districts.

***Demand on Taxing District Services and Program to Address Financial and Service Impact***

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

The City intends to monitor development in the LaSalle Central RPA and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development. The following major taxing districts presently levy taxes on properties located within the LaSalle Central RPA and maintain the listed facilities within the boundaries of the RPA, or within close proximity (three to five blocks) to the RPA boundaries:

**1. City of Chicago**

- City Hall (121 N LaSalle)

**2. Chicago Board of Education**

- Jones College Preparatory (606 S State Street)
- Whitney Young High School (211 S Laffin Street)
- Phillips High School (244 E Pershing Road)
- Crane High School (2245 W Jackson Boulevard)
- South Loop Elementary (1212 S Plymouth Court)
- William B Ogden Elementary (24 W Walton Street)
- Brown Elementary (54 N Hermitage Ave)
- Carpenter Elementary (1250 W Erie)
- Skinner Elementary School (111 S Throop Street)

**3. Chicago School Finance Authority****4. Chicago Park District**

- Millennium Park
- Grant Park
- Park No. 537
- Dearborn Park
- Pritzker Park

**5. City of Chicago Library Fund**

- Harold Washington Library Center (400 S State Street)

**6. Chicago Community College District 508**

- City Colleges of Chicago Administrative Building (226 W Jackson Boulevard)
- Harold Washington College (30 E Lake Street)

**7. Metropolitan Water Reclamation District of Greater Chicago**

**8. County of Cook**

- County Building (120 N Clark Street)

**9. Cook County Forest Preserve District**

Map 6 illustrates the locations of community facilities operated by the above listed taxing districts within or in close proximity to the LaSalle Central RPA. Redevelopment activity may cause increased demand for services from one or more of the above listed taxing districts. The anticipated nature of the increased demand for services on these taxing districts, and the proposed activities to address increased demand, are described below.

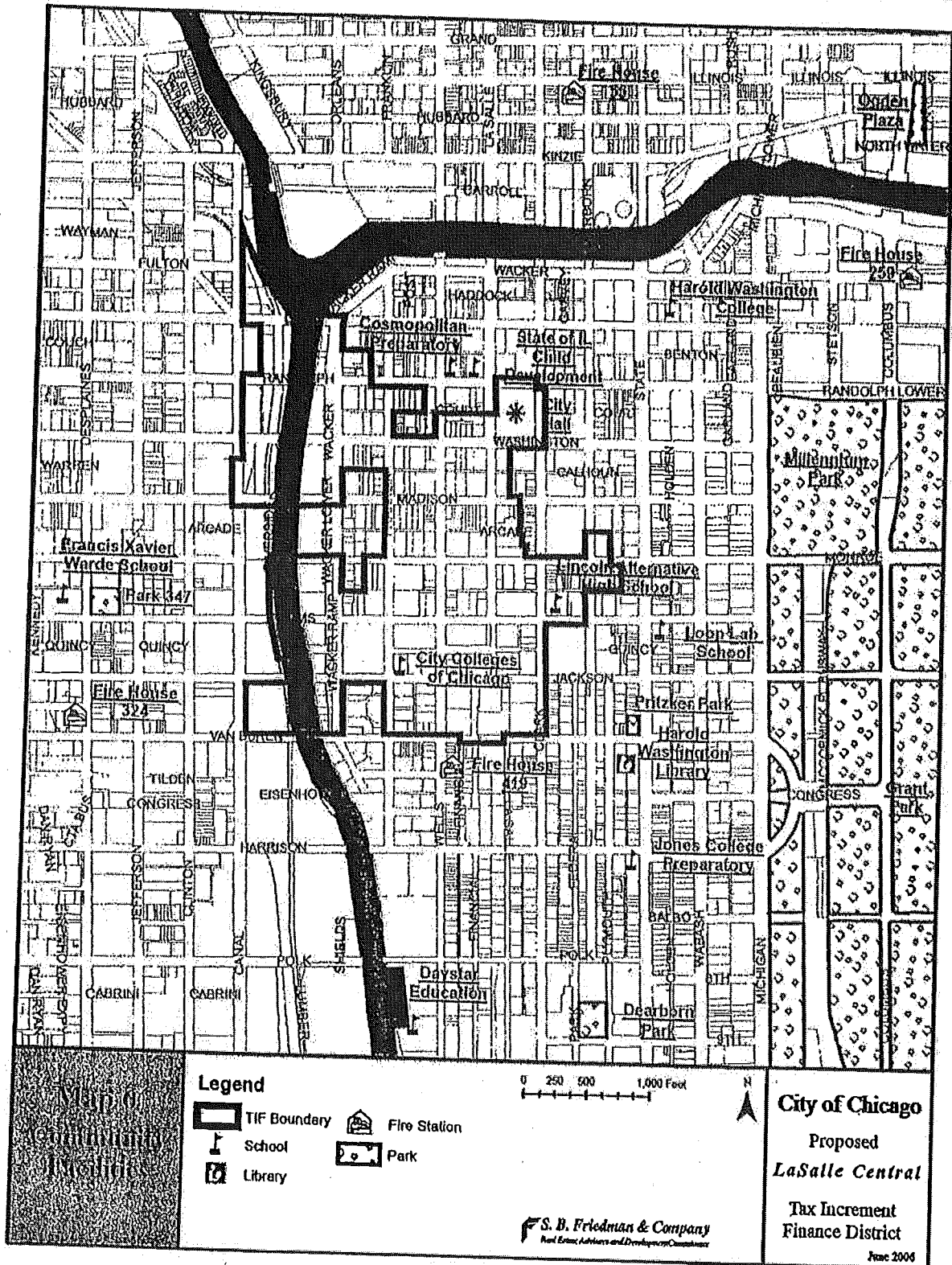
**City of Chicago.** The City is responsible for a wide range of municipal services including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing, and zoning codes. Replacement of vacant and under-utilized sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. While there are no public service facilities operated by the City within the LaSalle Central RPA, there are several within close proximity to the area. Additional costs to the City for police, fire, and recycling and sanitation services arising from residential development may occur. However, it is expected that any increase in demand for the City services and programs associated with the LaSalle Central RPA can be handled adequately by City police, fire protection, sanitary collection and recycling services, and programs currently maintained and operated by the City. The redevelopment of the LaSalle Central RPA will not require expansion of services in this area.

**City of Chicago Library Fund.** The Library Fund, supported primarily by property taxes, provides for the operation and maintenance of City of Chicago public libraries. Additional costs to the City for library services arising from residential development may occur. However, it is expected that any increase in demand for City library services and programs associated with the LaSalle Central RPA can be handled adequately by existing City library services. The redevelopment of the LaSalle Central RPA will not require expansion of services in this area.

**Chicago Board of Education and Associated Agencies.** General responsibilities of the Board of Education include the provision, maintenance and operation of educational facilities and the provision of education services for kindergarten through twelfth grade.

Currently there are no residential housing units in the LaSalle Central RPA. While unlikely, it is possible that, in the future, residential development may occur within the RPA, and new families may choose to enroll their children in public schools. Any increased costs to the local schools resulting from children residing in TIF-assisted housing units will trigger those provisions within the Act that provide for reimbursement to the affected school district(s) where eligible. The City intends to monitor development in the LaSalle Central RPA and, with the cooperation of the Board of Education, will attempt to ensure that any increased demands for services and capital improvements provided by the Board of Education are addressed in connection with each new residential project.

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



It is expected that the households that may be added to the LaSalle Central RPA may generate additional demand for recreational services and programs and may create the need for additional open spaces and recreational facilities operated by the Chicago Park District. The City intends to monitor development in the LaSalle Central RPA and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements that may be provided by the Chicago Park District are addressed in connection with any particular residential development.

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

It is expected that any increase in demand for services from Community College District 508 indirectly or directly caused by development within the LaSalle Central RPA can be handled adequately by the district's existing service capacity, programs, and facilities. Therefore, at this time no special programs are proposed for this taxing district. Should demand increase, the City will work with the affected district to determine what, if any, program is necessary to provide adequate services.

**Metropolitan Water Reclamation District.** This district provides the main trunk lines for the collection of wastewater from Cities, Villages and Towns, and for the treatment and disposal thereof.

It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the LaSalle Central RPA can be handled adequately by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago. Therefore, no special program is proposed for the Metropolitan Water Reclamation District of Greater Chicago.

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

It is expected that any increase in demand for Cook County services can be handled adequately by existing services and programs maintained and operated by the County. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

**Cook County Forest Preserve District.** The Forest Preserve District is responsible for acquisition, restoration, and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure, and recreation of the public. It is expected that any increase in demand for Forest Preserve services can be handled adequately by existing facilities and programs maintained and operated by the District. No special programs are proposed for the Forest Preserve.

Given the nature of the Redevelopment Plan and Project, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot be wholly predicted within the scope of this plan.



## ***7. Provisions for Amending Redevelopment Plan and Project***

**This Redevelopment Plan and Project and Project document may be amended pursuant to the provisions of the Act.**

## ***8. Commitment to Fair Employment Practices and Affirmative Action Plan***

The City is committed to and will require developers to follow and affirmatively implement the following principles with respect to this Redevelopment Plan and Project. However, the City may implement programs aimed at assisting small businesses, residential property owners, and developers which may not be subject to these requirements.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan and Project, including, but not limited to, hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, terminations, etc. without regard to race, color, religion, sex, age, disability, national origin, sexual orientation, ancestry, marital status, parental status, military discharge status, source of income or housing status.
- B. Meeting the City's standards for participation of twenty four percent (24%) Minority Business Enterprises and four percent (4%) Women Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
- C. The commitment to affirmative action and non-discrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- D. Meeting City standards for the hiring of City residents to work on redevelopment project construction projects.
- E. Meeting City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

*Appendix 1:*  
*Boundary and Legal Description*

**LASALLE CENTRAL TAX INCREMENT FINANCING (TIF) DISTRICT**

**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**

Order No. 0605013  
Ordered By: S. B. Friedman & Company  
June 29, 2006  
Revised July 6, 2006

Chicago Guarantee Survey Company  
601 S. LaSalle St., Suite 400  
Chicago, Illinois 60605

**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 THEREOF 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 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;**

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601 S. LaSalle St., Suite 400  
Chicago, Illinois 60605

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 EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN THE SUBDIVISION OF BLOCK 116 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 AND THE SOUTH LINE THEREOF TO THE EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF ADAMS STREET;

THENCE EAST ALONG SAID SOUTH LINE OF ADAMS STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE NORTH LINE OF MARBLE PLACE;

THENCE WEST ALONG SAID NORTH LINE OF MARBLE PLACE TO

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Revised July 6, 2006

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601 S. LaSalle St., Suite 400  
Chicago, Illinois 60605

THE EAST LINE OF LOT 2 IN BLOCK 117 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE NORTH ALONG SAID EAST LINE OF LOT 2 IN BLOCK 117 TO THE SOUTH LINE OF MONROE STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MONROE STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 TO THE NORTH LINE OF MONROE STREET;

THENCE NORTH ALONG THE 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 PIN 17-9-459-001;

THENCE NORTH ALONG THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 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;

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601 S. LaSalle St., Suite 400

Chicago, Illinois 60605

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 PIN 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 OF THE HERETOFORE DESCRIBED TRACT OF LAND, ALL IN  
COOK COUNTY, ILLINOIS.

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**Appendix 2:**  
**Summary of Estimated 2005 EAV (by PIN)**

**Summary of 2005 Equalized Assessed Value by Permanent Index Number (PIN)**

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
1	17-09-306-012-0000	\$95,471	\$260,827
2	17-09-306-014-0000	EX	EX
3	17-09-306-015-0000	\$25,888	\$70,726
4	17-09-306-016-0000	EX	EX
5	17-09-306-017-0000	\$181,441	\$495,697
6	17-09-306-018-0000	\$1	\$3
7	17-09-306-020-0000	\$495,001	\$1,352,343
8	17-09-325-002-0000	EX	EX
9	17-09-325-003-0000	EX	EX
10	17-09-326-001-0000	\$698,284	\$1,907,712
11	17-09-326-002-0000	EX	EX
12	17-09-334-001-0000	\$14,231,127	\$38,879,439
13	17-09-334-004-6001	EX	EX
14	17-09-334-004-6002	\$21,951,195	\$59,970,665
15	17-09-334-005-0000	\$24,263,721	\$66,288,486
16	17-09-335-002-0000	EX	EX
17	17-09-343-002-0000	EX	EX
18	17-09-343-003-0000	EX	EX
19	17-09-343-005-0000	EX	EX
20	17-09-343-007-0000	\$9,799,998	\$26,773,595
21	17-09-427-001-0000	\$2,164,063	\$5,912,220
22	17-09-427-002-0000	EX	EX
23	17-09-427-003-0000	\$3,334,648	\$9,110,258
24	17-09-427-004-0000	\$4,979,264	\$13,603,349
25	17-09-429-001-0000	\$2,301,725	\$6,288,313
26	17-09-429-002-0000	\$670,303	\$1,831,268
27	17-09-429-003-0000	\$669,709	\$1,829,645
28	17-09-429-004-0000	\$315,219	\$861,178
29	17-09-429-006-0000	\$1,402,070	\$3,830,455
30	17-09-429-015-0000	\$288,222	\$787,423
31	17-09-429-016-0000	\$79,821	\$218,071

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
32	17-09-440-001-0000	\$5,358,000	\$14,638,056
33	17-09-441-001-0000	\$25,249,999	\$68,982,997
34	17-09-441-002-0000	\$829,111	\$2,265,131
35	17-09-441-003-0000	\$829,259	\$2,265,536
36	17-09-441-005-0000	\$611,998	\$1,671,979
37	17-09-441-006-0000	\$488,189	\$1,333,732
38	17-09-442-001-0000	\$24,491,199	\$66,909,956
39	17-09-442-007-0000	\$480,926	\$1,313,890
40	17-09-442-008-0000	\$795,960	\$2,174,563
41	17-09-443-001-0000	\$5,716,852	\$15,618,440
42	17-09-443-002-0000	\$3,680,044	\$10,053,880
43	17-09-443-003-0000	\$4,823,414	\$13,177,567
44	17-09-443-004-0000	\$4,823,414	\$13,177,567
45	17-09-443-005-0000	\$9,106,273	\$24,878,338
46	17-09-446-001-0000	\$914,001	\$2,497,051
47	17-09-446-006-0000	\$445,835	\$1,218,021
48	17-09-446-007-0000	\$939,478	\$2,566,654
49	17-09-446-008-0000	EX	EX
50	17-09-446-009-0000	\$493,776	\$1,348,996
51	17-09-446-011-0000	\$2,480,000	\$6,775,360
52	17-09-446-015-1001	\$25,207	\$68,866
53	17-09-446-015-1002	\$40,326	\$110,171
54	17-09-446-015-1003	\$39,974	\$109,209
55	17-09-446-015-1004	\$74,339	\$203,094
56	17-09-446-015-1005	\$92,729	\$253,336
57	17-09-446-015-1006	\$92,979	\$254,019
58	17-09-446-015-1007	\$93,231	\$254,707
59	17-09-446-015-1008	\$93,481	\$255,390
60	17-09-446-015-1009	\$93,733	\$256,079
61	17-09-446-016-0000	\$16,992,975	\$46,424,808
62	17-09-447-003-8001	EX	EX
63	17-09-447-003-8002	\$1,368	\$3,737
64	17-09-447-003-8003	\$1,986	\$5,426
65	17-09-447-003-8005	\$3,287	\$8,980
66	17-09-447-003-8007	\$8,754	\$23,916
67	17-09-447-003-8008	\$3,351	\$9,155
68	17-09-447-003-8011	\$1,368	\$3,737

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
69	17-09-447-003-8012	\$1,368	\$3,737
70	17-09-447-003-8013	\$3,351	\$9,155
71	17-09-447-003-8015	\$4,104	\$11,212
72	17-09-447-003-8018	\$1,368	\$3,737
73	17-09-447-003-8019	\$1,368	\$3,737
74	17-09-447-003-8021	\$1,368	\$3,737
75	17-09-447-003-8022	\$1,368	\$3,737
76	17-09-447-003-8023	\$3,351	\$9,155
77	17-09-447-003-8024	\$1,368	\$3,737
78	17-09-447-003-8025	\$1,368	\$3,737
79	17-09-447-003-8026	\$1,986	\$5,426
80	17-09-447-003-8028	\$1,368	\$3,737
81	17-09-447-003-8029	\$1,368	\$3,737
82	17-09-447-003-8030	\$1,368	\$3,737
83	17-09-447-003-8039	\$9,690	\$26,473
84	17-09-452-002-0000	EX	EX
85	17-09-452-003-0000	\$19,000,000	\$51,908,000
86	17-09-453-007-0000	\$1,261,213	\$3,445,634
87	17-09-453-008-0000	\$1,222,732	\$3,340,504
88	17-09-453-009-0000	\$611,366	\$1,670,252
89	17-09-453-010-0000	\$1,222,732	\$3,340,504
90	17-09-453-011-0000	\$1,328,358	\$3,629,074
91	17-09-453-012-0000	\$615,330	\$1,681,082
92	17-09-453-013-0000	\$4,132,104	\$11,288,908
93	17-09-455-009-0000	\$7,616,901	\$20,809,374
94	17-09-455-013-0000	\$385,775	\$1,053,937
95	17-09-455-014-0000	\$535,800	\$1,463,806
96	17-09-455-015-0000	\$399,917	\$1,092,573
97	17-09-455-016-0000	\$1,125,972	\$3,076,156
98	17-09-455-017-0000	\$15,470,619	\$42,265,731
99	17-09-456-001-0000	\$18,275,844	\$49,929,606
100	17-09-456-002-0000	\$8,626,809	\$23,568,442
101	17-09-456-003-0000	\$6,485,665	\$17,718,837
102	17-09-456-019-0000	\$25,914,333	\$70,797,958
103	17-09-457-005-0000	\$1,309,555	\$3,577,704
104	17-09-457-006-0000	\$529,206	\$1,445,791
105	17-09-457-007-0000	\$3,808,758	\$10,405,527

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
106	17-09-457-008-0000	\$10,195,074	\$27,852,942
107	17-09-457-009-0000	\$21,347,751	\$58,322,056
108	17-09-457-010-0000	\$2,842,366	\$7,765,344
109	17-09-457-011-0000	\$6,660	\$18,195
110	17-09-458-015-0000	\$24,700,000	\$67,480,400
111	17-09-458-016-0000	\$3,614,350	\$9,874,404
112	17-09-458-017-0000	\$4,393,730	\$12,003,670
113	17-09-459-001-0000	\$12,601,256	\$34,426,631
114	17-09-460-001-0000	\$6,251,147	\$17,078,134
115	17-16-104-008-6001	EX	EX
116	17-16-104-008-6002	\$881,222	\$2,407,499
117	17-16-115-004-6004	\$44,766	\$122,301
118	17-16-121-002-0000	EX	EX
119	17-16-121-003-6001	EX	EX
120	17-16-121-003-6002	\$38,910,171	\$106,302,587
121	17-16-202-001-0000	EX	EX
122	17-16-202-002-0000	EX	EX
123	17-16-202-003-0000	\$1,952,822	\$5,335,110
124	17-16-202-004-0000	\$1,952,822	\$5,335,110
125	17-16-202-005-0000	\$1,952,822	\$5,335,110
126	17-16-202-006-0000	\$476,872	\$1,302,814
127	17-16-202-007-0000	\$476,870	\$1,302,809
128	17-16-202-008-0000	\$806,240	\$2,202,648
129	17-16-202-009-0000	\$97,824	\$267,255
130	17-16-202-010-0000	\$446,564	\$1,220,013
131	17-16-202-011-0000	\$446,564	\$1,220,013
132	17-16-202-012-0000	\$1,180,595	\$3,225,386
133	17-16-202-013-0000	\$6,989,914	\$19,096,445
134	17-16-202-014-0000	\$5,909,764	\$16,145,475
135	17-16-202-020-0000	\$6,589,430	\$18,002,323
136	17-16-202-021-0000	\$6,651,332	\$18,171,439
137	17-16-203-001-0000	\$8,349,280	\$22,810,233
138	17-16-203-002-0000	\$4,748,427	\$12,972,703
139	17-16-203-003-0000	\$10,735,936	\$29,330,577
140	17-16-203-004-0000	\$18,465,017	\$50,446,426
141	17-16-203-005-0000	\$8,954,563	\$24,463,866
142	17-16-203-006-0000	\$8,333,320	\$22,766,630

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
143	17-16-203-007-0000	\$4,268,927	\$11,662,709
144	17-16-203-008-0000	\$7,671,455	\$20,958,415
145	17-16-203-009-0000	\$11,108,828	\$30,349,318
146	17-16-203-010-0000	\$7,473,855	\$20,418,572
147	17-16-203-011-0000	\$7,580,255	\$20,709,257
148	17-16-203-024-0000	\$11,118,169	\$30,374,838
149	17-16-203-025-0000	\$5,984,413	\$16,349,416
150	17-16-204-001-0000	\$5,482,193	\$14,977,351
151	17-16-204-003-0000	\$2,163,786	\$5,911,463
152	17-16-204-005-0000	\$3,509,999	\$9,589,317
153	17-16-204-024-0000	\$3,950,000	\$10,791,400
154	17-16-204-030-0000	\$2,560,772	\$6,996,029
155	17-16-204-031-0000	\$883,500	\$2,413,722
156	17-16-206-017-0000	\$9,256,000	\$25,287,392
157	17-16-207-003-0000	EX	EX
158	17-16-207-004-0000	\$17,954,235	\$49,050,970
159	17-16-207-005-0000	\$16,545,765	\$45,203,030
160	17-16-208-006-0000	\$2,944,193	\$8,043,535
161	17-16-208-007-0000	\$2,944,193	\$8,043,535
162	17-16-208-008-0000	\$3,169,913	\$8,660,202
163	17-16-208-009-0000	\$1,223,661	\$3,343,042
164	17-16-208-010-0000	\$943,395	\$2,577,355
165	17-16-208-011-0000	\$2,115,756	\$5,780,245
166	17-16-208-012-0000	\$5,684,843	\$15,530,991
167	17-16-208-013-0000	\$4,228,918	\$11,553,404
168	17-16-208-014-0000	\$2,888,000	\$7,890,016
169	17-16-208-015-0000	\$3,861,431	\$10,549,429
170	17-16-208-017-0000	\$1,312,453	\$3,585,622
171	17-16-209-005-0000	\$616,310	\$1,683,759
172	17-16-209-006-0000	\$259,190	\$708,107
173	17-16-209-007-0000	\$234,694	\$641,184
174	17-16-209-008-0000	\$56,160,002	\$153,429,125
175	17-16-209-009-0000	\$8,336,357	\$22,774,927
176	17-16-209-010-0000	\$2,233,069	\$6,100,745
177	17-16-209-011-0000	\$13,972,880	\$38,173,908
178	17-16-209-012-0000	\$98,286,449	\$268,518,579
179	17-16-209-013-0000	\$228,553	\$624,407

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
180	17-16-210-007-0000	\$19,586,584	\$53,510,547
181	17-16-210-008-0000	\$320,408	\$875,355
182	17-16-210-009-0000	\$184,668	\$504,513
183	17-16-210-012-0000	\$223,075	\$609,441
184	17-16-210-013-0000	\$503,424	\$1,375,354
185	17-16-210-014-0000	\$9,598,420	\$26,222,883
186	17-16-210-015-0000	\$12,685,384	\$34,656,469
187	17-16-210-016-0000	\$5,496,419	\$15,016,217
188	17-16-210-017-0000	\$9,880,934	\$26,994,712
189	17-16-210-019-0000	EX	EX
190	17-16-210-020-0000	\$696,848	\$1,903,789
191	17-16-210-021-0000	\$3,179,129	\$8,685,380
192	17-16-211-001-0000	\$4,324,041	\$11,813,280
193	17-16-211-002-0000	\$4,092,094	\$11,179,601
194	17-16-211-003-0000	\$13,033,013	\$35,606,192
195	17-16-211-004-0000	\$7,227,474	\$19,745,459
196	17-16-211-007-0000	\$2,217,168	\$6,057,303
197	17-16-211-008-0000	\$2,217,168	\$6,057,303
198	17-16-211-009-0000	\$37,507,202	\$102,469,676
199	17-16-211-010-0000	\$5,739,034	\$15,679,041
200	17-16-212-001-0000	\$916,605	\$2,504,165
201	17-16-212-002-0000	\$527,126	\$1,440,108
202	17-16-212-003-0000	\$527,126	\$1,440,108
203	17-16-212-004-0000	\$527,126	\$1,440,108
204	17-16-212-005-0000	\$527,126	\$1,440,108
205	17-16-212-006-0000	\$1,074,887	\$2,936,591
206	17-16-212-007-0000	\$1,141,651	\$3,118,991
207	17-16-212-008-0000	\$505,832	\$1,381,933
208	17-16-212-009-0000	\$3,692,862	\$10,088,899
209	17-16-212-010-0000	\$3,715,320	\$10,150,254
210	17-16-212-011-0000	\$13,198,380	\$36,057,974
211	17-16-212-012-0000	\$4,193,436	\$11,456,467
212	17-16-212-014-0000	\$499,647	\$1,365,036
213	17-16-212-015-0000	\$4,560,156	\$12,458,346
214	17-16-212-016-0000	EX	EX
215	17-16-212-017-0000	EX	EX
216	17-16-212-018-0000	\$1,220,000	\$3,333,040

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
217	17-16-213-017-8001	EX	EX
218	17-16-213-017-8002	\$7,130,403	\$19,480,261
219	17-16-213-021-0000	\$6,215,652	\$16,981,161
220	17-16-214-002-0000	\$33,105,164	\$90,443,308
221	17-16-214-003-0000	EX	EX
222	17-16-215-002-0000	\$5,038,321	\$13,764,693
223	17-16-215-003-0000	EX	EX
224	17-16-216-009-0000	\$189,999,995	\$519,079,986
225	17-16-218-001-0000	\$9,674,999	\$26,432,097
226	17-16-219-001-0000	EX	EX
227	17-16-219-007-0000	\$15,655,488	\$42,770,793
228	17-16-219-008-0000	\$3,101,271	\$8,472,672
229	17-16-220-001-0000	\$16,720,000	\$45,679,040
230	17-16-220-002-0000	EX	EX
231	17-16-221-001-0000	\$778,080	\$2,125,715
232	17-16-221-002-0000	\$808,410	\$2,208,576
233	17-16-221-003-0000	\$3,586,104	\$9,797,236
234	17-16-221-004-0000	\$2,375,556	\$6,490,019
235	17-16-221-005-0000	\$8,271,300	\$22,597,192
236	17-16-221-006-0000	EX	EX
237	17-16-222-003-0000	\$3,785,875	\$10,343,011
238	17-16-222-004-0000	\$1,914,400	\$5,230,141
239	17-16-222-005-0000	\$1,299,725	\$3,550,849
240	17-16-222-006-0000	\$10,571,243	\$28,880,636
241	17-16-222-009-0000	\$7,017,836	\$19,172,728
242	17-16-222-010-0000	\$16,184,395	\$44,215,767
243	17-16-226-005-0000	\$5,715,091	\$15,613,629
244	17-16-226-006-0000	EX	EX
245	17-16-226-008-0000	EX	EX
246	17-16-226-009-0000	EX	EX
247	17-16-226-011-0000	EX	EX
248	17-16-226-012-0000	\$7,686,218	\$20,998,748
249	17-16-226-013-0000	\$662,811	\$1,810,800
250	17-16-228-001-0000	\$3,253,269	\$8,887,931
251	17-16-228-002-0000	EX	EX
252	17-16-228-003-0000	\$907,924	\$2,480,448
253	17-16-228-004-0000	\$2,845,214	\$7,773,125

No.	PIN	2005 Assessed Value	2005 Equalized Assessed Value
254	17-16-228-005-0000	\$159,413	\$435,516
255	17-16-228-010-0000	\$3,000,000	\$8,196,000
256	17-16-228-011-0000	\$1,087,120	\$2,970,012
257	17-16-228-012-0000	\$1,790,067	\$4,890,463
258	17-16-228-013-0000	\$791,039	\$2,161,119
259	17-16-228-014-0000	\$601,998	\$1,644,659
260	17-16-228-015-0000	\$588,002	\$1,606,421
261	17-16-228-016-0000	\$1,849,774	\$5,053,583
262	17-16-228-017-0000	\$1,692,922	\$4,625,063
263	17-16-229-001-0000	\$29,549,461	\$80,729,127
264	17-16-229-002-0000	\$27,927,165	\$76,297,015
265	17-16-230-003-0000	\$9,838,961	\$26,880,041
266	17-16-230-004-0000	\$14,134,740	\$38,616,110
267	17-16-231-010-0000	\$11,197,889	\$30,592,633
268	17-16-231-011-0000	\$11,257,500	\$30,755,490
269	17-16-500-017-0000	\$1,412,898	\$3,860,037
270	17-16-500-022-0000	\$2,465,877	\$6,736,776
271	17-16-500-023-0000	EX	EX
272	17-16-500-025-0000	EX	EX
273	17-16-500-031-0000	EX	EX
	<b>TOTAL:</b>	<b>\$1,527,730,358</b>	<b>\$4,173,759,338</b>



**Exhibit B**

**CDC Resolution**

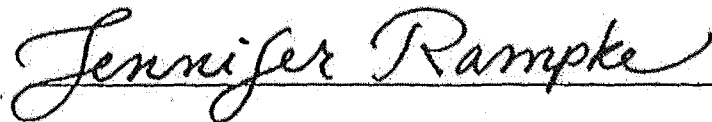
**(See attached)**

STATE OF ILLINOIS)  
  )SS  
COUNTY OF COOK )

**CERTIFICATE**

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the Community Development Commission of the City of Chicago at a Regular Meeting held on the 12<sup>th</sup> Day of September 2006 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 12<sup>th</sup> Day of September 2006



**EXECUTIVE SECRETARY**  
**Jennifer Rampke**

**COMMUNITY DEVELOPMENT COMMISSION  
OF THE  
CITY OF CHICAGO**

**RESOLUTION <sup>06</sup>-CDC-72**

**RECOMMENDING TO THE CITY COUNCIL OF  
THE CITY OF CHICAGO  
FOR THE PROPOSED  
LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA:**

**APPROVAL OF THE REDEVELOPMENT PLAN,  
DESIGNATION AS A REDEVELOPMENT PROJECT AREA  
AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING**

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

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

**WHEREAS**, staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations, studies and surveys of the LaSalle Central area, the street boundaries of which are described on Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and previously has presented the following documents to the Commission for its review:

LaSalle Central Redevelopment Project Area Tax Increment Finance District Eligibility Study, Redevelopment Plan and Project (the "Report") and (the "Plan")

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

**WHEREAS**, the Report and Plan were made available for public inspection and review since June 30, 2006, being a date not less than 10 days before the Commission meeting at which the Commission adopted Resolution 60-CDC-06 on July 11, 2006 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

**WHEREAS**, notice of the availability of the Report and Plan, including how to obtain this information, were sent by mail on July 21, 2006, which is within a reasonable time after the adoption by the Commission of Resolution 60-CDC-06 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located outside the proposed Area and within 750 feet of the boundaries of the Area (or, if applicable, were determined to be the 750 residential addresses that were outside the proposed Area and closest to the boundaries of the Area); and (b) organizations and residents that were registered interested parties for such Area; and

**WHEREAS**, notice of the Hearing by publication was given at least twice, the first publication being on August 18, 2006 a date which is not more than 30 nor less than 10 days prior to the Hearing, and the second publication being on August 25, 2006, both in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the taxing districts having property in the Area; and

**WHEREAS**, notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on August 15, 2006, being a date not less than 10 days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three years; and

**WHEREAS**, notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("DCEO") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to DCEO and all Board members, on July 19, 2006, being a date not less than 45 days prior to the date set for the Hearing; and

**WHEREAS**, notice of the Hearing and copies of the Report and Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on July 19, 2006, being a date not less than 45 days prior to the date set for the Hearing; and

**WHEREAS**, the Hearing was held on September 12, 2006 at 1:00 p.m. at City Hall, Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

**WHEREAS**, the Board meeting was convened on August 4, 2006 at 10:00 a.m. (being a date at least 14 days but not more than 28 days after the date of the mailing of the notice to the taxing districts on July 19, 2006) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to review the matters properly coming before the Board to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area, adoption of Tax Increment Allocation Financing within the Area and other matters, if any, properly before it, all in accordance with Section 5/11-74.4-5(b) of the Act; and

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

**BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:**

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

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

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

b. The Plan:

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

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

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

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

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

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

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

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

ADOPTED *September 12, 2006*

List of Attachments:

Exhibit A: Street Boundary Description of the Area

**Exhibit C**

**Legal description of the Area**

**(See attached)**

**LASALLE CENTRAL TAX INCREMENT FINANCING (TIF) DISTRICT**

**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 THEREOF 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 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 EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN THE SUBDIVISION OF BLOCK 116 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 AND THE SOUTH LINE THEREOF TO THE EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY WEST OF CLARK STREET TO THE SOUTH LINE OF ADAMS STREET;

THENCE EAST ALONG SAID SOUTH LINE OF ADAMS STREET TO THE EAST LINE OF CLARK STREET;

THENCE NORTH ALONG SAID EAST LINE OF CLARK STREET TO THE NORTH LINE OF MARBLE PLACE;

THENCE WEST ALONG SAID NORTH LINE OF MARBLE PLACE TO

THE EAST LINE OF LOT 2 IN BLOCK 117 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE NORTH ALONG SAID EAST LINE OF LOT 2 IN BLOCK 117 TO THE SOUTH LINE OF MONROE STREET;

THENCE EAST ALONG SAID SOUTH LINE OF MONROE STREET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 IN ASSESSOR'S DIVISION OF BLOCK 118 OF SCHOOL SECTION ADDITION IN SECTION 16;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 21 TO THE NORTH LINE OF MONROE STREET;

THENCE NORTH ALONG THE 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 PIN 17-9-459-001;

THENCE NORTH ALONG THE EAST LINE OF THE PARCEL OF LAND BEARING PIN 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 PIN 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 OF THE HERETOFORE DESCRIBED TRACT OF LAND, ALL IN  
COOK COUNTY, ILLINOIS.**

## **Exhibit D**

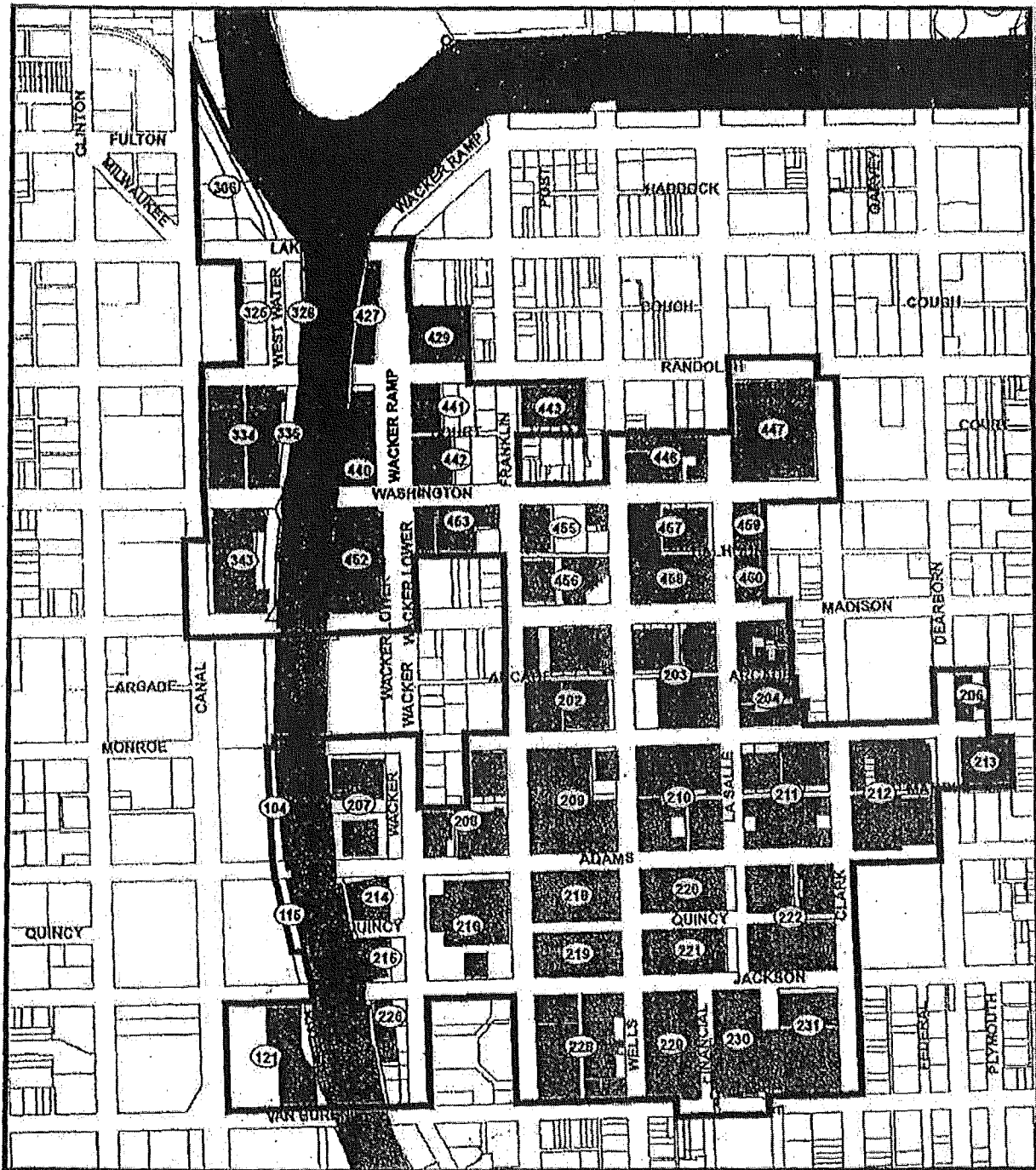
### **Street location of the Area**

The LaSalle Central Redevelopment Project Area is located within the Loop and Near West Side community areas of the City of Chicago and is generally bounded by Dearborn Street on the east, Van Buren Street on the south, the Chicago River and Canal Street on the west, and portions of the Chicago River, Lake, Randolph and Washington Streets on the north.




**Exhibit E**

**Map of the Area**

**(See attached)**



**Legend**

-  TIF Boundary
-  Existing Structures
-  Block Number\*

0 125 250 500 Feet

\*Based on the Cook County Permanent Index Numbering (PIN) System

*S. H. Pridmore & Company*  
Real Estate Appraisal and Consulting Company



**City of Chicago**  
Proposed  
**LaSalle Central**  
Tax Increment  
Finance District



Document No. PO2006- 8016

Document No. 02006- 4891

REFERRED TO COMMITTEE ON FINANCE	
NOV - 8 2006	
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.
NOV 15 2006

APPROVED

Mara S. Georall  
CORPORATION COUNSEL

APPROVED

Richard M. Daley  
Mayor  
11-27-06

STATE OF ILLINOIS )  
                                  )  
COUNTY OF COOK   )

I, EDMUND W. KANTOR, Deputy City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office: Approval of Tax Increment Financing Redevelopment Plan for LaSalle Central Redevelopment Project Area.

DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the fifteenth (15<sup>th</sup>) day of November, 2006 and deposited in my office on the fifteenth (15<sup>th</sup>) day of November, 2006.

DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the *Journal of the Proceedings of the said City Council of the City of Chicago*, and that the result of said vote so taken was as follows to-wit:

Yeas 44 Nays 0

DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the Deputy City Clerk of the said City of Chicago, and that the said Mayor did approve and sign said ordinance on the twenty-seventh (27<sup>th</sup>) day of November, 2006.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid at the said City, in the County and State aforesaid, this seventh (7<sup>th</sup>) day of December, 2006.

  
EDMUND W. KANTOR, Deputy City Clerk

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT D-1**

**PROJECT BUDGET**

Construction	\$3,738,520
Soft Costs	353,478
Project Management	27,080
Furniture	1,333,204
IT Telephony Equipment	318,507
IT Computer Equipment	330,000
Audio Visual	88,132
Signage	54,000
Security	37,555
Telecommunication Cabling	170,407
Moving	<u>100,000</u>
<b>TOTAL</b>	<b>\$6,550,883</b>

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT D-2**

**CONSTRUCTION (MBE/WBE) BUDGET**

Construction	\$3,738,520
Project Management	<u>27,080</u>
	\$3,765,600

24% MBE - \$903,744

4% WBE - \$150,624

LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA

DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT

Redevelopment Agreement  
dated as of June 19, 2013

EXHIBIT E

SCHEDULE OF TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Costs of Rehabilitation	\$6,550,883*
TOTAL	

\*Notwithstanding the total amount referenced above, the City Funds for the TIF-Funded Improvements shall not exceed \$1,000,000, subject to adjustment as provided in Section 4.03(b).

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT F**

**RESERVED**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT G**

**CONSTRUCTION CONTRACT**

The construction contract for the Project is attached to this exhibit cover sheet.

 **AIA** Document A107™ – 2007

**Standard Form of Agreement Between Owner and Contractor for a project of Limited Scope**

AGREEMENT made as of the 26 day of January in the year 2012  
(In words, indicate day, month and year)

BETWEEN the Owner:  
(Name, address and other information)

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

DeVry Inc.  
3005 Highland Parkway  
Downers Grove, IL 60515-5683

and the Contractor:  
(Name, legal status, address and other information)

Interior Construction Group, Inc. (ICG)  
210 South Clark, Suite 1300  
Chicago, IL 60604

For the following Project:  
(Name, legal status, location and detailed description)

DeVry Online - Chicago  
300 South Riverside Plaza  
Chicago, IL 60606

The Architect:  
(Name, legal status, address and other information)

Interior Architects, P.C. (IA - Interior Architects)  
205 West Wacker Drive, Suite 1500  
Chicago, IL 60606

The Owner and Contractor agree as follows.

Int.



**ARTICLE 1 THE WORK OF THIS CONTRACT**

The Contractor shall fully execute the entire Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others. The scope of work covered by this Agreement shall include the specific clarifications, qualifications and exclusions listed in the exhibits to this Agreement. To the extent that the provisions of this Agreement are inconsistent with the exhibits or any proposal or related document of the Contractor, this Agreement shall govern.

**ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

§ 2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

*(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)*

The Work will commence on the date that the Owner establishes in a notice to proceed to be issued to the Contractor. The Owner anticipates that construction will commence on or about February 1, 2012.

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

§ 2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than \_\_\_\_\_ days from the date of commencement, or as follows:

*(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert any requirements for earlier Substantial Completion of certain portions of the Work.)*

The Contractor shall achieve Substantial Completion of the entire Work (as defined in Section 15.4.1) no later than May 16, 2012, and shall complete all punchlist items and achieve Final Completion not later than thirty (30) days thereafter (including completion of all Exhibit 'D' closeout requirements). The Contractor shall also achieve all interim milestones and phasing requirements in the Contract Documents. Timely completion of the Project is of the essence.

The Contract Time shall be subject to adjustments of this Contract Time as provided in the Contract Documents (insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

The Owner will assess, and the Contractor will be responsible for, liquidated damages in the amount of \$500.00 per day for each calendar day beyond the Contract Time that Substantial Completion is not timely achieved, and an additional \$500.00 per day for each calendar day beyond thirty (30) days after Substantial Completion of the Work that Final Completion is not achieved. However, liquidated damages shall not be assessed for the first five (5) days after the Contract Time that Substantial Completion is not achieved. Moreover, and without limiting any right or remedy under this Agreement or at law, the Owner may take over and complete the Work (or any portion of the Work) at any time more than thirty (30) days following Substantial Completion of the Work if Final Completion has not been achieved, and charge all direct and indirect costs of completion against the Contractor plus markup as specified in Section 15.5.1.1.

The Contractor and Owner agree that the liquidated damages amounts are not penalties and are a reasonable estimation of actual damages to the Owner, as of this date of Agreement, based on the inherent uncertainty and difficulty in calculating and quantifying damages caused by delays in the construction of school facilities.

**ARTICLE 3 CONTRACT SUM**

§ 3.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be one of the following:

*(Check the appropriate box.)*

Int.

- Stipulated Sum (referenced herein as the "Stipulated Sum" or "Contract Sum"), in accordance with Section 3.2 below
- Cost of the Work plus the Contractor's Fee, in accordance with Section 3.3 below
- Cost of the Work plus the Contractor's Fee with a Guaranteed Maximum Price, in accordance with Section 3.4 below

(Based on the selection above, complete Section 3.2, 3.3 or 3.4 below.)

§ 3.2 The Stipulated Sum (or "Contract Sum") shall be Three Million Five Hundred and Five Thousand Six Hundred dollars (\$3,505,600.00), subject to additions and deductions as provided in the Contract Documents. The Contract Sum includes by way of example and not limitation, the Contractor's general conditions, all permits, required bonds (if any), any approved allowances, liability and builder's risk insurance (if required), any fees due for preconstruction services, and the Contractor's overhead and fee.

§ 3.2.1 The Stipulated Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:  
(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

None.

§ 3.2.2 Unit prices, if any, are as follows; these descriptions are summary in nature, and the scope of this work is described in the Contract Documents:  
(Identify and state the unit price, and state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$ 0.00)
------	-----------------------	--------------------------

None.

Unit prices as set forth in the Contract Documents or any Modifications are complete and include all materials, equipment, labor, delivery, installations, overhead and profit and any other costs or expenses in connection with, or incidental to, the performance of that portion of the Work to which such unit prices apply.

§ 3.2.3 Allowances included in the stipulated sum, if any are as follows; all amounts below are included in the Contract Sum:  
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Allowance
<u>Permit</u>	<u>\$21,800</u>
<u>Floor Prep</u>	<u>\$9,300</u>
<u>Masonry Patching at Core Walls</u>	<u>\$7,200</u>
<u>Fireproofing and Roofing</u>	<u>\$10,500</u>

Allowance amounts defined above are included in the Contract Sum due to the uncertainty in the scope, price and quantity at the time the contract was executed. Whenever actual costs are more or less than the allowance, the Contract Sum will be adjusted accordingly by change order. Contractor must provide the Owner with written notice of its intent to expend an allowance amount (providing the Owner with the opportunity to approve or reject the cost) before expending an allowance amount.

init.

**§ 3.3 COST OF THE WORK PLUS CONTRACTOR'S FEE**

**§ 3.3.1** The Cost of the Work is as defined in Exhibit A, Determination of the Cost of the Work.

**§ 3.3.2 The Contractor's Fee:**

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

**§ 3.4 COST OF THE WORK PLUS CONTRACTOR'S FEE WITH A GUARANTEED MAXIMUM PRICE**

**§ 3.4.1** The Cost of the Work is as defined in Exhibit A, Determination of the Cost of the Work.

**§ 3.4.2 The Contractor's Fee:**

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

**§ 3.4.3 GUARANTEED MAXIMUM PRICE**

**§ 3.4.3.1** The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed (\$ \_\_\_\_\_), subject to additions and deductions by changes in the Work as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

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

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

**§ 3.4.3.3 Unit Prices, if any:**

*(Identify and state the unit price, and state the quantity limitations, if any, to which the unit price will be applicable.)*

Item	Units and Limitations	Price Per Unit (\$ 0.00)
------	-----------------------	--------------------------

**§ 3.4.3.4 Allowances included in the Guaranteed Maximum Price, if any:**

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

Item	Allowance
------	-----------

**§ 3.4.3.5 Assumptions and clarifications, if any, on which the Contract Sum/Guaranteed Maximum Price is based:**

None

**ARTICLE 4 PAYMENTS**

**§ 4.1 PROGRESS PAYMENTS**

**§ 4.1.1** Based upon Applications for Payment submitted to the Owner and the Architect by the Contractor in accordance with the Contract Documents and Certificates for Payment issued by the Architect or Owner, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. Each Application for Payment shall be based upon the Schedule of Values submitted by the Contractor to the Architect and Owner prior to commencement of the Work. The Schedule of Values shall allocate the entire Contract Sum among the various portions of the Work and be prepared in such form and supported by such data to substantiate its accuracy as the Architect and Owner may reasonably require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Each Change Order shall be listed as a separate line item on the Schedule of Values. The Schedule of

Values shall allocate at least 5% of the Contract Sum to the Work to be completed between Substantial Completion and Final Completion. One half of this amount shall be allocated for punch list work; the other half shall be for providing approved operations and maintenance data, delivery of record drawings, warranties and bonds, extra stock, and all other documentation, work, or items necessary to achieve Final Completion. None of these percentages is the retainage but rather requires the Contractor to recognize that the Contractor and its Subcontractors will expend significant costs in advancing the Work from Substantial Completion to Final Completion. These amounts are not earned until Final Completion, including all Exhibit 'D' closeout requirements, is accomplished.

§ 4.1.2. The period covered by each Application for Payment shall be one (1) calendar month ending on the last day of the month, or as follows:

N/A.

§ 4.1.3.1 Application for Payment. Each month, the Contractor shall submit to the Architect or Owner a report on the current progress of the Work as compared to the current construction schedule, and an itemized application for payment for Work performed during the prior calendar month on a form approved by the Owner. The Application shall be itemized and notarized. Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the percentage of that portion of the Work which has actually been completed. The Architect or the Owner may request the Contractor to provide data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and lien releases, and reflecting retainage as provided elsewhere in the Contract Documents. The Contractor shall provide a lien release on a form consistent with Illinois law and acceptable to the Owner from each Subcontractor for whose Work the Owner paid the Contractor for the prior month. The Application shall also state that all payments due Subcontractors of any tier from the Owner's payment the prior month have been made. The submission of this Application constitutes a certification that the Work is current on the construction schedule, unless otherwise noted on the application.

§ 4.1.3.2 Payment. Provided that an approved Application for Payment is received by the Architect not later than the last day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the last day of the following month. If an Application for Payment is received by the Architect after the date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Architect receives/certifies the Application for Payment, which will not be unreasonably withheld.  
*(Federal, state or local laws may require payment within a certain period of time.)*

§ 4.1.3.3 Payments to Subcontractors. As required by Illinois law, the Owner may withhold payment to Contractor to the extent Owner receives notice that it is required, or may be required, to make payment directly to Subcontractors of any tier. Any such payment by Owner to Subcontractors of any tier will be a payment (or partial payment) by the Owner of the Contract Sum and will be credited against the GMP and any outstanding amount owed accordingly. The Contractor shall make payment to Subcontractors within ten (10) days of receiving payment from Owner. All payments by the Owner to Contractor shall be held in trust for the payment of Contractor's Subcontractors, material supplies, and laborers. No payment request shall include amounts for a Subcontractor that the Contractor does not intend to pay to a Subcontractor. If, after making a request for payment but before paying a Subcontractor for its performance covered by the payment request, the Contractor determines that part or all of the payment otherwise due to the Subcontractor will be withheld from the Subcontractor for unsatisfactory performance, the Contractor may withhold the amount as allowed under its subcontract, but it shall give the Subcontractor, the Owner and the Architect written notice of the remedial actions that must be taken as soon as practicable after determining the cause for the withholding but before the due date for the Subcontractor payment, and pay the Subcontractor within eight (8) working days after the Subcontractor satisfactorily completes the remedial action identified in the notice.

§ 4.1.4 Retainage, if any, shall be withheld as follows:

Retainage of Five percent (5%) will be held from each progress payment as a fund for the protection and payment of the claims of any person or entity arising under the Contract and the state with respect to taxes or other statutory claims. The Owner will not release retainage before Final Completion and before Contractor completes all Exhibit 'D' closeout requirements, including providing full, unconditional lien releases.

§ 4.1.5 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

*(Insert rate of interest agreed upon, if any.)*

Payments due and unpaid under the Contract Documents shall bear interest at the minimum rate required by law or six percent (6%) per annum, whichever is more.

§ 4.2 FINAL PAYMENT

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

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 18.2, and to satisfy other requirements, if any, which extend beyond final payment and a Certificate of Substantial Completion has been issued; and
- 2 the contractor has submitted a final accounting for the Cost of the Work, where payment is on the basis of the Cost of the Work with or without a guaranteed maximum price; and
- 3 a final Certificate for Payment has been issued by the Architect and approved by the Owner. Final Completion has occurred, and the requirements of Exhibit 'D' and Article 15 are completed.

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

The Owner's final payment to the Contractor shall be made within thirty (30) days of the date Final Completion is achieved, and after the Contractor has completed all closeout requirements identified in Exhibit 'D'. Final payment will not be made before the Owner receives unconditional lien releases, operation and maintenance manuals, record drawings, and other closeout documents required by the Owner, all in an acceptable form. Notwithstanding the foregoing, the date and manner of the Owner's final payment shall be subject to the terms and conditions of the Contract Documents. Retainage will be paid to the Contractor as specified in the Contract Documents and in accordance with any applicable statutory requirements.

§ 4.3 Other provisions:

§ 4.3.1 Notwithstanding any provision of this Agreement to the contrary, the Contractor shall comply with the reasonable requirements of the Owner's lenders including, but not limited to, providing documents and other information to the lender or escrow agent, cooperating with any inspecting representative of the lender, and subordinating lien rights. The Contractor shall include this provision in all its subcontracts.

§ 4.3.2 The Contractor agrees to name the Owner, and other persons or entities reasonably identified in writing by the Owner, as additional insureds under all applicable insurance policies.

§ 4.3.3 If the Contractor has performed preconstruction services, the cost of such services is included in the Contract Sum.

§ 4.3.4 If applicable, the Contractor shall comply with, and the scope of work covered by this Agreement includes, all requirements imposed by any lease agreement between the Owner and its landlord, any documents and exhibits enumerated, referenced, or incorporated therein (including design drawings, plans, and specifications), and any

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subsequent modifications of any of them, all of which are hereby incorporated into this Agreement by this reference. Contractor shall comply with all provisions and requirements of the Contract Documents, including any lease, and all provisions and requirements with which the Owner must comply. Contractor is bound by the Contract Documents, including any lease, in the same manner and to the same extent as Owner is bound. In the event of any discrepancy between this Agreement and the other Contract Documents, this Agreement prevails when a provision herein is directly applicable to matters relating solely between Owner and Contractor and the Contract Documents prevail on all other matters.

§ 4.3.5 If applicable, the Contractor shall comply with all applicable building, facility, and site rules and regulations.

**ARTICLE 5 DISPUTE RESOLUTION**

**§ 5.1 BINDING DISPUTE RESOLUTION**

For any claim subject to, but not resolved by, mediation pursuant to Section 21.3, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, claims will be resolved in a court of competent jurisdiction.)*

Arbitration pursuant to Section 21.4 of this Agreement

Litigation in a court of competent jurisdiction

Other (Specify)

**ARTICLE 6 ENUMERATION OF CONTRACT DOCUMENTS**

§ 6.1 The Contract Documents are defined in Article 7 and, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 6.1.1 The Agreement is this executed and revised AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope.

§ 6.1.2 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
<u>N/A</u>			

§ 6.1.3 The Specifications and Project Manual (if any):

*(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

Section	Title	Date	Pages
<u>See Exhibit 'B'</u>			

§ 6.1.4 The Drawings:

*(Either list the Drawings here or refer to an exhibit attached to this Agreement.)*

Number	Title	Date
<u>See Exhibit 'B'</u>		

§ 6.1.5 The Addenda, if any:

Number	Date	Pages
<u>Addenda #1</u>	<u>December 20, 2011</u>	<u>1-7</u>

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are enumerated in this Article 6.

§ 6.1.6 Additional documents, if any, forming part of the Contract Documents:

1. Exhibit A, Determination of the Cost of the Work, if applicable;
2. AIA Document B201™-2007, Digital Data Protocol Exhibit, if completed, or the following;
3. Other documents:

*(List here any additional documents that are intended to form part of the Contract Documents.)*

Exhibit 'A' - Clarifications and Exclusions and Project Schedule.

Exhibit 'B' - List of Documents

Exhibit 'C' - Conditional and Unconditional Lien Release Forms

Exhibit 'D' - Closeout Requirements

Exhibit 'E' - Schedule of Values and General Conditions

Exhibit 'F' - Bid Questions and Clarifications - dated January 3, 2012

## ARTICLE 7. GENERAL PROVISIONS

### § 7.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in Article 6 and consist of this Agreement (including, if applicable, Supplementary and other Conditions of the Contract), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Owner or Architect. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

### § 7.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and the Contractor.

### § 7.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

### § 7.4 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

### § 7.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 7.5.1 Subject to the rights of the Owner, The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service.

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this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 7.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized granted a limited license to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. The Contractor may retain one record set. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

#### § 7.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmission, unless otherwise provided in the Agreement or in the Contract Documents. Any electronic files will be provided for the convenience of the Contractor. Because of differences among the many available software and hardware systems and the different way in which various systems represent drawing elements, the Architect has represented to the Owner that it is not always possible to ensure complete, accurate information. Neither the Architect nor the Owner shall be liable for any inaccuracy or incompleteness in information contained in an electronic copy of an Instrument of Service.

### ARTICLE 8 OWNER

#### § 8.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 8.1.1 The Owner may shall furnish all necessary surveys and a legal description of the site except to the extent that the Contract Documents otherwise require the Contractor to provide and/or maintain survey information.

§ 8.1.2 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 8.1.3 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required to be secured by the Contractor under Section 9.6.1, the Owner shall secure and pay for other necessary approvals, easements, assessments and related charges required for the construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

#### § 8.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to perform the Work in a good and workmanlike manner, or to correct Work which is not in accordance with the requirements of the Contract Documents, or materially or repeatedly fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order, signed personally or by an agent specifically so empowered by the Owner, to the Contractor to stop the Work, or any portion thereof, until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

#### § 8.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or fails or neglects to carry out the Work in accordance with the Contract Documents, or fails to perform a provision of the Contract, and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner, after ten (10) days' written notice to the Contractor and without prejudice to any other remedy the Owner may have, may correct such make good such deficiencies and may deduct the reasonable cost thereof, including Owner's expenses and compensation for the Architect's services made necessary thereby, from the payment then or thereafter due the Contractor.



## ARTICLE 9 CONTRACTOR

### § 9.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 9.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents. By executing the Contract, the Contractor represents and acknowledges that the Contract Sum is reasonable compensation for all the Work, that the Contract Time is adequate for the performance of the Work, and that it has carefully examined the Contract Documents and the Project site, including any existing structures, and that it has satisfied itself as to the nature, location, character, quality and quantity of the Work, the labor, materials, equipment, goods, supplies, work, services and other items to be furnished and all other requirements of the Contract Documents, as well as the conditions and other matters that may be encountered at the Project site or affect performance of the Work or the cost or difficulty thereof, including but not limited to those conditions and matters affecting: transportation, access, disposal, handling and storage of materials, equipment and other items; availability and quality of labor, water, electric power and utilities; normal climatic conditions and seasons; physical conditions at the Project site and the surrounding locality; and equipment and facilities needed preliminary to and at all times during the performance of the Work.

§ 9.1.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Drawings and other Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 8.1.1, shall take field measurements of and verify any existing conditions related to that portion of the Work before commencing activities affected thereby and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect and the Owner any errors, inconsistencies, or omissions discovered by or made known to the Contractor as a request for information in such form as the Owner or Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents.

§ 9.1.3 The Contractor shall comply with, but is not required to ascertain that the Contract Documents are in accordance with, all applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report in writing to the Owner and Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Owner or Architect may require.

### § 9.2 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 9.2.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, for safety and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. The Contractor shall be an independent contractor in the performance of the Work and shall have complete control over and responsibility for all personnel performing the Work. The Contractor is not authorized to enter into any agreements on behalf of the Owner or to act as or be an agent or employee of the Owner. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall be fully and solely responsible for the jobsite safety thereof unless the Contractor gives timely written notice to the Owner and Architect that such means, methods, techniques, sequences or procedures may not be safe.

§ 9.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors of any tier and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

§ 9.2.3 The following individuals shall perform in the following roles for the Contractor during the course of the Project:

Int.

- 1 Principal: Michael Lynk;
- 2 Project Manager: Patrick Hayes; and
- 3 Superintendent: Mark Howe.

Michael Lynk and Patrick Hayes shall be the Contractor's representative during the Project.

The individuals named above shall not be replaced during the course of the Project without the prior written approval of the Owner. Persons proposed to replace the individuals named above shall also be subject to the prior written approval of the Owner. The individual performing in the role of Principal shall be a corporate officer of the Contractor. The Owner's approvals under this Section 9.2.3 shall not be unreasonably denied.

§ 9.2.4 Because the Work requires construction and build-out of existing space within an existing structure, the Contractor shall take care that the new Work covered by this Agreement properly interfaces and is compatible with any existing and remaining structures. The Contractor should perform or direct performance of whatever reasonable on-site investigation may be necessary to determine the condition of the existing structure so that the Work which will result from this Agreement is compatible and interfaces with the as-built conditions of the existing structure.

§ 9.2.5 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work. Under no conditions shall a section of Work proceed prior to preparatory work having been completed and made satisfactory to receive the related Work. The Contractor shall ensure that the responsible Subcontractor has carefully examined all preparatory work that has been executed to receive its work and has notified the Contractor (who shall notify the Owner and Architect in writing) of any defects or imperfections in preparatory work that will, in any way, affect satisfactory completion of the Work. The lack of such notification shall constitute an acceptance of preparatory work, and a waiver of any later Claim or defect therein.

§ 9.2.6 The Contractor shall perform such detailed examination, inspection and quality surveillance of the Work as will ensure that the Work is progressing and is being completed in strict accordance with the Contract Documents. The Contractor shall plan and lay out all Work in advance of operations so as to coordinate all work without delay or revision. The Contractor has the responsibility to require that all material suppliers and Subcontractors order and provide materials on time, taking into account the current market and delivery conditions.

§ 9.2.7 The Contractor accepts the special relationship of trust and confidence established with the Owner by this Agreement, and covenants with the Owner to use the Contractor's best skill and judgment, and to cooperate with the Architect and other members of the Project team, in furthering the interests of the Owner. The Contractor shall cooperate with the Owner, Architect, and other members of the Project Team to create an environment of mutual respect and focus on the success of the Project.

### § 9.3 LABOR AND MATERIALS

§ 9.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 9.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Owner may require in writing that the Contractor remove from the Work any employee or other person carrying out the Contract that the Owner considers objectionable. The Contractor shall be responsible to the Owner for the acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons performing portions of the Work under a contract with the Contractor. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them

§ 9.3.3 After the Contract has been executed, the Owner and Architect may consider a written request for the substitution of material or products in place of those specified in the Contract Documents only under exceptional circumstances described in, and following the procedures of, the Contract Documents. The written request must include the specifications for the material or product and any proposed change in the Contract Sum or Contract Time. The Contractor may make a substitution only with the explicit, written consent of the Owner, after evaluation by the Owner or Architect and in accordance with a Modification/Change Order. By requesting a substitution, the Contractor represents that it has personally investigated the proposed material or product and determined that it is equal or better in all respects to that specified (or if not equal or better in all respects, the Contractor shall identify such deficiencies), that the same or better warranty will be provided for the substitution, that complete cost data, including all direct and indirect costs of any kind, has been presented, that it waives any other known or unknown Claim for an increase in the Contract Sum or Contract Time resulting from the substitution, that it has coordinated with affected Subcontractors and the proposed substitution will not impact other parts of the Work, and that it will coordinate the installation of the substitute if accepted and make all associated changes in the Work. The Contractor will be responsible for the reasonable costs of any time the Owner and/or the Architect expends in reviewing a substitution request.

§ 9.3.4 The Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions.

#### **§ 9.4 WARRANTY**

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will be performed in a skilled and workmanlike manner, that the Contractor will exercise reasonable care in performing the Work, that the Work will strictly be completed in accordance with Drawings and Specifications, and that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed or supervised by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear under normal usage, but does not exclude any implied warranty that may be available by applicable law. The Owner specifically retains all rights and remedies available to it under applicable state law. If requested by the Owner or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. Warranties in the Contract Documents shall survive completion, acceptance, and final payment. The Contractor shall collect, assign, and deliver to the Owner any specific written guarantees and warranties given by others. Prior to furnishing the Owner with written guarantees and warranties, the Contractor shall provide copies to the Owner and Architect for review and approval.

#### **§ 9.5 TAXES**

The Contractor shall pay sales, consumer, use, business and occupation, income, and other similar taxes that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. There are no taxes that are excluded from the Contract Sum and separately reimbursable. All taxes are included in the Contract Sum.

#### **§ 9.6 PERMITS, FEES, NOTICES, AND COMPLIANCE WITH LAWS**

§ 9.6.1 Unless otherwise provided in the Contract Documents, as part of the Contract Sum the Contractor shall secure and pay for the building permit as well as other all permits (including the building permit) and governmental fees required for construction and completion, including without limitation all subcontractor permits and fees including plan check fees for deferred submittals, application fees and review fees for any and all shop drawings or bidder designed systems, any inspection fees including re-inspection fees, mechanical and electrical permits, licenses and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded. The Contractor will be responsible for, and will not be reimbursed for, all such permits and fees, and any renewals or penalties.

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§ 9.6.2 The Contractor shall comply with and give notices required by applicable laws, including without limitation the Americans with Disabilities Act, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work. The Contractor shall promptly notify the Architect and Owner if the Drawings and Specifications are observed by the Contractor to be at variance therewith. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

#### **§ 9.7 ALLOWANCES**

The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. The Owner shall select materials and equipment under allowances with reasonable promptness. Allowance amounts shall include the costs to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts. Allowance amounts shall not include the Contractor's costs for unloading and handling at the site, labor, installation, overhead, and profit, as those items are already included within the Contract Sum.

#### **§ 9.8 CONTRACTOR'S CONSTRUCTION SCHEDULES AND MEETINGS**

§ 9.8.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work ("construction schedule"), which shall be consistent with the milestones set forth in the Contract Documents. The construction schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, shall satisfy and conform to any requirements listed in the Contract Documents, and shall provide for expeditious and practicable execution of the Work, and shall be utilized and conformed to by the Contractor.

§ 9.8.2 The Contractor shall perform the Work in general accordance with the most recent schedule submitted to the Owner and Architect.

§ 9.8.3 The Contractor shall provide to the Owner and the Architect and post at the job site a full-size, single-sheet construction schedule, which shall be in color. If the Contractor's construction schedule is modified, the Contractor shall provide the Owner and the Architect and post at the job site a full-size, single-sheet color copy of the modified construction schedule. Upon request, the Contractor shall provide the construction schedule to the Owner in a usable electronic format.

§ 9.8.4 The Contractor shall participate in progress meetings held pre-construction and at least once every week during construction with the Architect, the Owner, appropriate Subcontractors and other appropriate consultants. The Contractor shall fully brief the Architect and Owner on the progress of the Work.

#### **§ 9.9 SUBMITTALS**

§ 9.9.1 The Contractor shall review for compliance with the Contract Documents, note any deviations from the Contract Documents, approve in writing, and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in coordination with the Contractor's construction schedule and in such sequence as to allow the Architect reasonable time for review. By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them; (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so; and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents. The Work shall be in accordance with approved submittals.

§ 9.9.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. These shall be available to the Architect and Owner at all times and shall be assembled and delivered to the Architect for submittal to the Owner upon completion of the Work. Upon completion of the Work, the Contractor shall certify that the record documents reflect complete and accurate "as-built" conditions and shall deliver the documents as well as the

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approved permit set of plans in good condition to the Architect for submittal to the Owner in accordance with the provisions of the Contract Documents. Satisfactory maintenance of up-to-date record drawings will be a requirement for approval of progress payments.

#### § 9.10 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

#### § 9.11 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

#### § 9.12 CLEANING UP

The Contractor shall keep the premises, any roads, and the surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At the Owner's request and, in any event, at the completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material from and about the Project.

#### § 9.13 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Owner and Architect.

#### § 9.14 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

#### § 9.15 INDEMNIFICATION

§ 9.15.1 Subject to the following conditions including the subparagraphs below, and to To the fullest extent permitted by law, the Contractor shall defend, indemnify, reimburse, and hold harmless the Owner, Architect, Architect's consultants and the partners, directors, officers, lenders, consultants, agents, and employees, and successors and assigns of any of them (together, the "Indemnified Parties") from, for and against all claims, damages, losses and expenses, direct and indirect, including but not limited to design professional and consultant fees, attorneys' fees, and costs incurred on such claims and in proving the right to indemnification, arising out of or resulting from performance of the Work, any act or omission of the Contractor, its agents, any of its Subcontractors of any tier, and anyone directly or indirectly employed by the Contractor or Subcontractors of any tier ("Indemnitor"), provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 9.15.1.

§ 9.15.2 The Contractor will fully indemnify Indemnified Parties for the sole negligence of the Indemnitor. In claims against any person or entity indemnified under this Section 9.15 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification

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~~obligation under Section 9.15.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.~~

§ 9.15.3 Nothing in this Agreement requires the Contractor to indemnify the Owner for the sole negligence or willful misconduct of the Owner. In the event of concurrent negligence involving the Indemnitor, the Contractor will indemnify the Indemnified Parties to the proportionate extent of the Indemnitor's negligence. The Contractor agrees to being added by the Owner or the Architect as a party to any arbitration or litigation with third parties in which the Owner or Architect alleges indemnification or contribution from the Contractor, any of its Subcontractors of any tier, any one directly or indirectly employed by any of them, or any one for whose acts any of them may be liable. The Contractor agrees that all of its Subcontractors of any tier will, in their subcontracts, similarly stipulate; in the event any does not, the Contractor shall be liable in place of such Subcontractor(s). To the extent any portion of this indemnification provision is stricken by a court or arbitrator for any reason, all remaining provisions shall retain their vitality and effect.

§ 9.15.4 In claims against any person or entity indemnified under this Section 9.15 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 9.15.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts. After mutual negotiation of the parties, the Contractor expressly waives immunity as to the Owner, the Architect and their consultants only under any applicable industrial insurance or worker's compensation statute.

#### ARTICLE 10 ARCHITECT

§ 10.1 The Owner Architect will provide administration of the Contract and will be an Owner's representative during construction, and until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified in writing in accordance with other provisions of the Contract. The Architect is not the agent of the Owner and is not authorized to agree on behalf of the Owner to changes in the Contract Sum or Contract Time, or to direct the Contractor to take actions that change the Contract Sum or Contract Time. The "Architect" may be an architect or an engineer. The Contractor will be responsible for any design-build performance required of the Contractor as described in the Contract Documents.

§ 10.1.1 The Owner's representative under the Contract is:

Tom Ruscitti and Matt Knopf  
Newmark Knight Frank  
One East Wacker Drive, Suite 3500  
Chicago, IL 60601

Upon written notice to the Contractor, the Owner may designate some other person or entity as its representative. The Owner, in its sole discretion may elect to have some or all of the obligations and responsibilities of the Architect set out in the Contract performed by the Owner or its representative, except those obligations and responsibilities which are legally required to be performed by a licensed professional architect.

§ 10.2 The Architect as a representative but not an agent of the Owner may will visit the site at intervals appropriate to the stage of the construction to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. Neither the Architect nor the Owner will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

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§ 10.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. ~~Neither The Architect nor the Owner will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. Neither The Architect nor the Owner will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.~~

§ 10.4 Based on the Architect's or Owner's evaluations of the Work and of the Contractor's Applications for Payment, the Architect ~~or Owner will make recommendations to and otherwise assist the Owner to determine review and certify~~ the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 10.5 The Architect ~~and Owner have the~~ authority to reject Work that does not conform to the Contract Documents and to require inspection or testing of the Work.

§ 10.6 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 10.7 The ~~Owner Architect~~ will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. ~~The Owner will not be bound by, but may consider, any interpretation or decision by the Architect. The Architect will make initial decisions on all claims, disputes and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions rendered in good faith.~~

§ 10.8 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents ~~and if endorsed by the Owner.~~

§ 10.9 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, ~~Contractor and Architect.~~ Consent shall not be unreasonably withheld.

#### ARTICLE 11 SUBCONTRACTORS

§ 11.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site ~~or to supply materials or equipment.~~

§ 11.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner ~~and through the Architect~~ the names of the Subcontractors or suppliers for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor or supplier to whom the Owner or Architect has made reasonable ~~and timely~~ written objection ~~following within ten days after receipt of the Contractor's list of Subcontractors and suppliers.~~ If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 11.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner and Architect, and (2) allow the Subcontractor the benefit of all rights, remedies and redress against the Contractor that

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the Contractor, by these Contract Documents, has against the Owner, (3) include an express provision that such contract shall be assigned to Owner, at the Owner's discretion in the event the Owner terminates the Contract and takes over the Work pursuant to Article 20, and (4) state that the Owner is and shall be a third-party beneficiary of such contract.

§ 11.4 The Contractor shall promptly pay any undisputed amounts it owes to Subcontractors. The Contractor shall also promptly pay (and secure the discharge of) any claims or liens asserted by all persons or entities properly furnishing labor, services, equipment, materials or other items in connection with the performance of the Work by, through or on account of the Contractor. The Contractor shall furnish to the Owner such releases of claims and liens and other documents as may be requested by the Owner from time to time to evidence such payment (and discharge). The Owner may withhold at least 150% of the amount of any claim or lien unless the Contractor either (1) furnishes to the Owner such releases of claims and liens and other documents as may be requested by the Owner from time to time to evidence such payment (and discharge) or (2) provides a reasonably acceptable surety bond pursuant to applicable law to protect the Owner, the Project and the site from lien claims. The Owner may, at its option, withhold payment, in whole or in part, to the Contractor until such documents are so furnished. The Owner may issue joint checks payable to the Contractor and the lien or claim claimant. The Contractor shall defend, indemnify, and hold harmless the Owner from any claims or liens, including all expenses and attorneys' fees, except to the extent a lien has been filed because of failure of payment by the Owner.

§ 11.5 The Contractor shall schedule, supervise and coordinate the operations of all Subcontractors of any tier, including any suppliers of early procurement items. No subcontracting of any of the Work shall relieve the Contractor from its responsibility for the performance of the Work in accordance with the Contract Documents or from its responsibility for the performance of any other of its obligations under the Contract Documents.

#### ARTICLE 12 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 12.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall provide notice and make a Claimsuch-claim as provided in Article 21the Contract Documents.

§ 12.2 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

§ 12.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

#### ARTICLE 13 CHANGES IN THE WORK

§ 13.1 By appropriate Modification, changes in the Work may be accomplished after execution of the Contract. The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, with the Contract Sum and Contract Time being adjusted accordingly. The Contractor shall provide proposed changes in the Contract Sum and Contract Time (if any) as soon as reasonably possible and within five (5) days of the Owner's or Architect's request. Such changes in the Work shall be authorized by written Change Order signed by the Owner, Contractor and Architect, or by written Construction Change Directive signed by the Owner and Architect.

§ 13.2 Adjustments in the Contract Sum and Contract Time resulting from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive signed only by the Owner and Architect, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit, unless the

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~~parties agree on another method for determining the cost or credit in a Change Order. The execution of a Change Order shall constitute a waiver of Claims by the Contractor arising out of the scope of Work to be performed or deleted pursuant to the Change Order, except as specifically described in the Change Order. Change Orders shall be on an AIA Change Order form. Pending final determination of the total cost of a Construction Change Directive, the Contractor may request payment for Work completed pursuant to the Construction Change Directive. The Architect will make an interim determination of the amount of payment due for purposes of certifying the Contractor's monthly Application for Payment. When the Owner and Contractor agree on adjustments to the Contract Sum and Contract Time arising from a Construction Change Directive, the Architect will prepare a Change Order.~~

§ 13.3 The Architect and the Owner will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

§ 13.4 ~~If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then the Contractor shall give written notice to the Owner and Architect promptly before conditions are disturbed and in no event later than seven (7) days after the first observance of the conditions. If such conditions differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall make any resulting Claim in accordance with the dispute resolution procedure in Article 21. No increase to the Contract Sum or Contract Time shall be allowed if the Contractor knew or should have known of the concealed conditions prior to its executing the Contract. If the Contractor encounters such a condition for which it seeks additional time or money, Contractor shall not commence any work or incur any additional job site costs in regard to the condition without written direction to do so from the Owner, except in the case of an emergency and except as may otherwise be required by any environmental or natural resource regulation, the Contractor Sum and Contract Time shall be equitably adjusted as mutually agreed between the Owner and Contractor, provided that the Contractor provides notice to the Owner and Architect promptly and before conditions are disturbed.~~

#### § 13.5 PRICING COMPONENTS.

§ 13.5.1 ~~If the Owner and Contractor cannot agree on the cost or credit to the Owner from a Change in the Work, or from an event giving rise to a Claim, the Contractor shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with supporting data. Approval may not be given without such itemization. Failure to provide data requested by the Owner shall constitute waiver of any claim for changes in the Contract Time or Contract Sum. The total cost of any increase or decrease in the Contract Sum shall be limited to the reasonable value, as determined by the Owner, of the following:~~

§ 13.5.2 ~~Direct labor costs: These are the labor costs determined either by the estimated or actual number of additional craft hours and the hourly costs necessary to perform the change in the Work. The hourly cost shall be based solely upon the following:~~

- ~~1 Basic wages and fringe benefits: The hourly wage (without markup or labor burden) and fringe benefits paid by the Contractor or contributed to labor trust funds as itemized fringe benefits, whichever is applicable. The premium portion of overtime wages is not included unless pre-approved in writing by the Owner. Costs paid or incurred by the Contractor for vacations, per diem, bonuses, stock options, or discretionary payments to employees are not reimbursable;~~
- ~~2 Workers' insurances: Direct contributions to the State of Illinois for industrial insurance, medical aid, and supplemental pension by class and rates, if any.~~
- ~~3 Federal insurances: Direct contributions required by the Federal Insurance Compensation Act (FICA); Federal Unemployment Tax Act (FUTA); and State Unemployment Compensation Act (SUCA), if any.~~

§ 13.5.3 ~~Direct material costs: This is an itemization, including material invoice, of the quantity and cost of additional materials necessary to perform the change in the Work. The unit cost shall be based upon the net cost~~

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(2016493876)

after all discounts or rebates, freight costs, express charges, or special delivery costs, when applicable. No lump sum costs will be allowed except when approved in advance by the Owner. Discounts and rebates based on prompt payment shall accrue to the Contractor only if the Contractor offers the Owner the opportunity to make such prompt payment and the Owner declines the opportunity.

§ 13.5.4 Construction equipment usage costs: This is an itemization of the actual length of time that construction equipment appropriate for the Work will be used solely on the change in the Work at the site times the applicable rental cost as established by the lower of the local prevailing rate published in The Rental Rate Blue Book by Data Quest, San Jose, California, or the actual rate paid as evidenced by rental receipts. Actual, reasonable mobilization costs are permitted if the equipment is brought to the Site solely for the change in the Work. If more than one rate is applicable, the lowest rate will be utilized, and hourly, weekly, and/or monthly rates, as appropriate, will be applied to yield the lowest total cost.

§ 13.5.5 Cost of any change in insurance or bond premium. This is defined as the actual cost (expressed as a percentage submitted with the certificate of insurance provided under this Agreement, and subject to audit) of any changes in the Contractor's liability insurance or the cost of the Contractor's performance and payment bonds arising directly from the changed Work. These costs shall not exceed 1% of the cost of the Changed Work. Upon request, the Contractor shall provide the Owner with supporting documentation from its insurer or surety of any associated cost incurred.

§ 13.5.6 Subcontractor costs: These are payments the Contractor makes to Subcontractors for changed Work performed by Subcontractors of any tier. The Subcontractors' cost of changed Work shall be determined in the same manner as prescribed in this Section 13.5.

§ 13.5.7 Fee: This is the allowance for all combined overhead, profit and other costs, including all office, home office and site overhead (including project manager, project engineer, other engineers, project foreman, estimator, superintendent and their vehicles), taxes, warranty, safety costs, quality control/assurance, delay, small or hand tool charges (tools which cost \$500 or less and are normally furnished by the performing contractor), preparation of as-built drawings, impact on unchanged Work, Claim preparation, acceleration, and delay and impact costs of any kind, added to the total cost to the Owner of any Change Order, Construction Change Directive, Claim or any other claim of any kind on this Project. It shall be limited in all cases to the following schedule:

- .1 The Contractor shall receive 10% of the cost of any materials supplied or work properly performed by the Contractor's own forces,
- .2 The Contractor shall receive 5% of the amount owed directly to a Subcontractor or Supplier for materials supplied or work properly performed by that Subcontractor or Supplier,
- .3 Each Subcontractor of any tier shall receive 10% of the cost of any materials properly supplied or work performed by its own forces,
- .4 Each Subcontractor of any tier shall receive 5% of the amount it properly incurs for materials supplied or work performed by its suppliers or subcontractors of any lower tier,
- .5 The cost to which this Fee is to be applied shall be determined in accordance with Section 13.5.2-13.5.6,
- .6 The total summed Fee of the Contractor and all Subcontractors of any tier shall not exceed 15%.

If a change in the Work involves both additive and deductive items, the appropriate Fee allowed will be added to the net difference of the items. If the net difference is negative, no Fee will be added to the negative figure as a further deduction. The parties acknowledge that the fees listed in this Section are substantially greater than the fees and overhead normally included in determining the Contract Sum bid; that these higher percentages are a sufficient amount to compensate the Contractor for all effects and impacts of Changes in the Work; and that the resultant overcompensation of the Contractor for some Changes compensates the Contractor for any Changes for which the Contractor believes the percentage is otherwise insufficient.

## ARTICLE 14 TIME

§ 14.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 14.2 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 14.3 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 14.4 The date of Substantial Completion is the date certified by the Architect and agreed to by the Owner in accordance with Section 15.4.3.

§ 14.5 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the Architect-Owner determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect-Owner may determine, subject to the provisions of Article 21. The Contractor shall reschedule its Work as necessary to achieve the contractual completion dates. Any delay shall be measured by the change in the actual critical path of construction. The Contractor shall recover damages for delay from the Owner only if the acts or omissions of the Owner or persons acting for the Owner were the actual, substantial cause of the delay and the Contractor could not have reasonably avoided the delay by the exercise of due diligence. The damages to which the Contractor is entitled in the event of such a delay, in addition to the Fee in Section 13.5.7, shall be limited to \$500 per day for each day the critical path of the Project is so delayed. The parties understand and agree that it would be difficult to fix the damages suffered by Contractor in the event of a critical path delay, and therefore agree that the damages referenced herein represent a reasonable endeavor to estimate fair payment to Contractor for any critical path delay. The Contractor shall not in any event be entitled to damages arising out of actual or alleged loss of efficiency; morale, fatigue, attitude, or labor rhythm; constructive acceleration; home office overhead; expectant underrun; trade stacking; reassignment of workers; concurrent operations; dilution of supervision; learning curve; beneficial or joint occupancy; logistics; ripple; season change; extended overhead; profit upon damages for delay; impact damages, cumulative impact, or similar damages.

§ 14.6 THE TIMELY COMPLETION OF THIS PROJECT IS ESSENTIAL TO THE OWNER. The Owner will incur serious and substantial special, incidental and consequential damages if Substantial Completion of the Work does not occur within the Contract Time. The Owner's right to delay damages is not affected by partial completion, occupancy, or beneficial occupancy.

## ARTICLE 15 PAYMENTS AND COMPLETION

### § 15.1 APPLICATIONS FOR PAYMENT

§ 15.1.1 ~~Where the Contract is based on a Stipulated Sum or the Cost of the Work with a Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values, allocating the entire Contract Sum to the various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used in reviewing the Contractor's Applications for Payment. Payments shall be made as provided in Article 4 of this Agreement. Applications for Payment shall be in a form satisfactory to the Owner and Architect.~~

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

~~§ 15.1.3 Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.~~

§ 15.1.4.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

#### § 15.2 CERTIFICATES FOR PAYMENT

§ 15.2.1 The Architect or Owner will, within seven (7) days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect or Owner determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 15.2.3.

§ 15.2.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Owner's or Architect's evaluations of the Work and the data comprising the Application for Payment, that, to the best of the Owner's or Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Owner or Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Owner or Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 15.2.3 The Owner or Architect may, with or without the Architect's concurrence, withhold a Certificate for Payment in whole or in part or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued, to the extent reasonably necessary to protect the Owner, if in the Owner or Architect's opinion the representations to the Owner required by Section 15.2.2 cannot be made. If the Owner or Architect is unable to certify payment in the amount of the Application, the Owner or Architect will notify the Contractor and Owner as provided in Section 15.2.1. If the Contractor, and the Owner, and/or the Architect cannot agree on a revised amount, the Owner or Architect will promptly issue a Certificate for Payment for the amount for which the Owner or Architect is able to make such representations to the Owner. The Owner or Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Owner's or Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 9.2.2, because of

- .1 acts and omissions of the Contractor, including defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 unsatisfactory job progress, including reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or

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- 7 repeated disputed work, including persistent or material failure to carry out the Work in accordance with the Contract Documents; or
- 8 failure to submit a properly updated construction schedule.

§ 15.2.4 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

### § 15.3 PROGRESS PAYMENTS

§ 15.3.1 The Contractor shall promptly pay each Subcontractor, no later than seven-ten (10) days after receipt of payment, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-subcontractors in similar manner.

§ 15.3.1.1 The Contractor shall submit to the Owner lien, claim, and bond waiver and release forms and satisfactions executed by the Contractor and Subcontractors of all tiers with each Application for Payment, which shall be consistent with applicable law. With each Application for Payment, the Contractor will submit a lien release for the amount sought by the Application for Payment and will submit unconditional lien releases signed by Subcontractors of every tier for work performed through the date of the prior Application for Payment. If the Contractor is unable to obtain such executed waiver and release forms and satisfactions the Contractor as a condition of payment for such Subcontractor's performance of the Work shall provide the Owner with a bond or other form of security acceptable to the Owner.

§ 15.3.1.2 With each Application for Payment the Contractor will furnish the Owner with the names and addresses of all Subcontractors and the outstanding amount owed to each.

§ 15.3.2 Neither the Owner nor Architect shall have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 15.3.3 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 15.3.4 Retainage (a fund for the protection and payment of the claims of any person or entity arising out of the Work and the State with respect to taxes) of 5% shall be subtracted from the total amount due in each monthly Application for Payment. The retainage set forth in this Agreement is retained for the protection of the Owner, any person or persons, mechanic, or Subcontractor who perform any labor on the Contract or the doing of the Work, and all persons who supply such person or persons or Subcontractors with provisions and supplies for the carrying on of such Work, and the State with respect to taxes that may be due from the Contractor. Retainage will be promptly released at Final Completion to the extent all Exhibit 'D' closeout requirements have been completed, claims and outstanding punch list items are resolved, and the Contractor has furnished a master (unconditional and final) lien release. Lien releases must be in a form reasonably acceptable to the Owner.

### § 15.4 SUBSTANTIAL COMPLETION

§ 15.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can fully occupy or utilize the Work or the designated portion thereof for its intended use. All Work other than incidental corrective or punchlist work and final cleaning shall have been completed. The Work is not Substantially Complete unless the Owner reasonably judges that the Work can achieve Final Completion within thirty (30) days (or such other period of time as is specified in the Contract Documents), if all systems and parts are not usable, if any applicable occupancy permit has not been issued, if any related utilities are not connected and operating normally, or if the Work is not accessible by normal vehicular and pedestrian traffic routes. The fact that the Owner may occupy some or all of the Project does not indicate that the Work is substantially completed.

§ 15.4.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor and Architect shall prepare and submit to the Owner Architect a comprehensive list of items to be completed or corrected prior to final payment. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 15.4.3 Upon receipt of the Contractor's and Architect's list, the Owner or Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Owner or Architect determines that the Work or designated portion is not substantially complete, the Contractor shall expeditiously complete the Work or designated portion, and again request an inspection. The Contractor shall pay the costs associated with any further reinspections. When the Architect or Owner determines that the Work or designated portion thereof is substantially complete, the Architect or Owner will issue a Certificate of Substantial Completion which shall establish the date of Substantial Completion, establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 15.4.4 The Certificate of Substantial Completion shall be submitted to the Owner, or Architect and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

#### § 15.5 FINAL COMPLETION AND FINAL PAYMENT

§ 15.5.1.1 The Contractor shall cause all punch list items to be completed within thirty (30) days of Substantial Completion (or such other period of time as is specified in the Contract Documents). If, after the Date of Substantial Completion, the Owner considers that the punch list items are unlikely to be completed within thirty (30) days of the Date of Substantial Completion (or such other period of time as is specified in the Contract Documents), the Owner may, upon seven (7) days' written notice to the Contractor, take over and perform some or all of the punch list items. Moreover, and without limiting any other available remedy, the Owner may take over and complete any portion of the Work at any time more than thirty (30) days following Substantial Completion if Final Completion has not been achieved. If the Owner elects to take over and perform any portion of the Work, the Owner may deduct the actual cost of performing the Work (including direct and indirect costs), and including any design costs, plus 15% to account for the Owner's transaction costs, from the Contract Sum.

§ 15.5.1.2 The Contractor shall notify the Architect and the Owner in writing when the Contractor considers the Work ready for final inspection and complete. Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect or Owner will promptly make such an inspection. Within a reasonable time after receiving the written notice, the Owner will either accept Final Completion of the Work or notify the Contractor of Work yet to be performed. If the Architect or Owner determines that some or all the punch list items are not yet completed, the Contractor shall be responsible to the Owner for all costs, including the Architect's and Owner's fees, for any subsequent inspections to determine compliance with the punch list, and, when the Architect and Owner finds all punch list items complete, the Work acceptable under the Contract Documents and the Contract fully performed, the Architect or Owner will promptly notify the Contractor in writing, issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions stated in Section 15.5.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.



§ 15.5.1.3 The Contractor is liable for, and the Owner may deduct from any amounts due the Contractor, all Architect, engineer or other design consultant fees, and any commissioning agent and construction management fees, incurred by the Owner for services performed more than thirty (30) days after Substantial Completion of the Work (or such other period of time as is specified in the Contract Documents), whether or not those services would have been performed prior to that date had Final Completion been achieved in a timely manner.

§ 15.5.2 When the Owner and Architect find that the Work has been so concluded, the appropriate permit(s) have been issued, and the Contractor has completed all Exhibit 'D' closeout requirements and submitted the items below to the Owner or Architect, the Contractor may submit a final Application for Payment. The Owner or Architect will then promptly issue a final Certificate for Payment stating that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The date of Final Completion is the date the Owner executes the final Certificate for Payment. Final payment shall not become due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract or receipts in full covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including costs and reasonable attorneys' fees.

§ 15.5.3 Final payment shall not become due until the Owner has formally accepted the Project ("Final Completion"). To achieve Final Completion, the Owner or Architect must have issued a final Certificate for Payment, any applicable permits must have been issued, all Exhibit 'D' closeout requirements must have been completed, and the Contractor must have submitted the following to the Owner:

- 1 an affidavit that all payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied,
- 2 a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to the Owner,
- 3 a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents,
- 4 consent of surety, if any, to final payment,
- 5 other data establishing payment or satisfaction of or protection against obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner,
- 6 confirmation that the Contractor has closed all necessary permits or otherwise met the requirements of all governing jurisdictions related to this Project, and the Owner has been provided with a copy of all closed or signed off permits, and
- 7 all warranties, guarantees, manuals, operation instructions, certificates, spare parts, maintenance stock, specified excess material, as-built drawings and other documents or items required by the Contract Documents, including Exhibit 'D'.

§ 15.5.4 If a Subcontractor of any tier or supplier refuses to furnish a release or waiver required by the Owner, the Owner may (a) retain in the fund, account, or escrow funds in such amount as to defray the cost of satisfying such lien or claim and to pay attorneys' fees, the total of which shall be no less than 150% of the claimed amount, or (b) accept a bond from the Contractor, satisfactory to the Owner, to indemnify the Owner against such lien or claim. If any such lien or claim remains unsatisfied after all payments from the retainage are made, the Contractor shall refund to the Owner all moneys that the Owner may be compelled to pay in discharging such lien or claim, including all costs and reasonable attorneys' fees.

§ 15.5.5 The making of final payment shall constitute a waiver of claims by the Owner except those arising from

- 1 liens, claims, security interests or encumbrances arising out of the Contract and unsettled;
- 2 failure of the Work to comply with the requirements of the Contract Documents; or
- 3 terms of special warranties required by the Contract Documents
- 4 claims reserved by the Owner in writing.

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§ 15.5.64 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and attached identified by that payee as unsettled at to the time of final Application for Payment.

§ 15.5.7 The execution of a Change Order shall constitute a waiver of Claims by the Contractor arising out of the Work to be performed or deleted pursuant to the Change Order, except as specifically described in the Change Order. Reservations of rights will be deemed waived and are void unless the reserved rights are specifically described in detail to the satisfaction of the Owner and are initiated by the Owner. If the Contractor adds a reservation of rights that has not been initiated by the Owner to any Change Order, Construction Change Directive, Change Order proposal, Application for Payment or any other document, all amounts therein shall be considered disputed and not due or payable unless and until costs are re-negotiated or the reservation is withdrawn or changed in a manner satisfactory to and, in all cases, initiated by the Owner. If the Owner makes payment for a Change Order or an Application for Payment that contains a reservation of rights not initiated by the Owner to indicate agreement with the reservation, and if the Contractor negotiates the check for such payment, then the reservation of rights shall be deemed waived, withdrawn and of no effect.

§ 15.5.8 The Contractor shall maintain books, ledgers, records, documents, estimates, bids, correspondence, logs, schedules, electronic data and other evidence relating to the costs and/or performance of the Contract ("records") to such extent and in such detail as will properly reflect and fully support compliance with the requirements of the Contract Documents and with all costs, charges and other amounts of whatever nature incurred directly or indirectly on the Work. The Contractor shall preserve such records for a period of six (6) years following the date of Final Completion under the Contract and for such longer period as may be required by any other provision of the Contract. Within seven (7) days of the Owner's request, the Contractor agrees to make available at the office of the Contractor during normal business hours all records for inspection, audit and reproduction including electronic copying by the Owner or its representatives. These requirements shall be applicable to each Subcontractor of any tier and included in each Subcontract and purchase order issued with respect to the Work, except fixed-price Subcontracts where the price is \$25,000 or less.

## ARTICLE 16 PROTECTION OF PERSONS AND PROPERTY

### § 16.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be solely and completely responsible for all aspects of safety, including initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- 1 employees on the Work and other persons who may be affected thereby;
- 2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- 3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 16.1.2 and 16.1.3, except for damage or loss attributable to acts or omissions of the Owner or Architect or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 9.15.



## § 16.2 HAZARDOUS MATERIALS

§ 16.2.1 The Contractor is responsible for compliance with the requirements of the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents, and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up. The Contractor shall proceed with the Work in areas not affected.

§ 16.2.2 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area, if in fact, the material or substance presents the risk of bodily injury or death as described in Section 16.2.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except if (a) ~~to the extent that~~ such damage, loss or expense is due to the fault or negligence of the party seeking indemnity or (b) that such hazardous materials were not identified as the Contractor's responsibility in the Contract Documents.

§ 16.2.3 If, without negligence or fault on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, ~~the Owner shall indemnify the Contractor for all cost and expense thereby incurred.~~

## ARTICLE 17 INSURANCE AND BONDS

### § 17.1 CONTRACTOR'S LIABILITY INSURANCE

§ 17.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located possessing a Best's policyholder's rating of A- or better and a financial rating of no less than VIII and reasonably acceptable to the Owner, an occurrence-based Commercial General Liability Insurance Policy, which shall provide personal injury, bodily injury and property damage liability on the Contractor's operations, on work the Contractor may subcontract or sublet to others; and on the indemnity provisions of this Contract, including but not limited to premises, products/completed operations, personal injury, blanket contractual liability, explosion, collapse or underground (XCU), and stopgap employer's liability. This insurance will name the Owner, the Architect, their consultants and employees, and any required governmental agencies as additional insureds and will include a severability of interest (cross liability clause) for Work performed under this Agreement. The Contractor's policy shall be designated primary coverage for both defense and indemnity, and any Owner's policies excess. Such limits of liability insurance shall have per project general aggregate provisions and shall not be less than the following:

- .1 \$1,000,000 per occurrence for bodily injury liability including sickness, disease or death and \$2,000,000 bodily injury liability for all occurrences (other than automobiles); and
- .2 \$1,000,000 for property damage liability (other than automobiles) because of damage to or destruction of property of others including loss of the use thereof caused by one occurrence and \$2,000,000 property damage liability for all occurrences; and
- .3 As an alternate to Sections .1 and .2 above, the Contractor may insure for \$2,000,000 Combined Single Limit protection for both bodily injury and property damage liability per occurrence and \$2,000,000 general aggregate stop loss; and
- .4 \$1,000,000 per accident for bodily injury liability including sickness, disease or death and property damage liability because of damage to or destruction of property of others including loss of use thereof arising out of the operation of automobiles; and

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- 5 \$1,000,000 for claims for damages insured by personal injury liability coverage (included and defined in the Commercial General Liability insurance policy) that are sustained (1) by a person as a result of an offense directly or indirectly related to employment of such person by the Contractor or (2) by another person; and
- 6 \$1,000,000 for claims involving blanket contractual liability insurance (included and defined in the Commercial General Liability Insurance Policy) applicable to the Contractor's obligations under Section 9.15; and
- 7 In addition, the Contractor shall maintain a true umbrella policy that provides excess limits over the primary layer, in an amount not less than \$10,000,000.

§ 17.1.2 The insurance required by above shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages shall be written on an occurrence basis, and shall be maintained without interruption from date of commencement of the Work until date of Final Completion and termination of any coverage required to be maintained after final payment. Completed operations coverage shall remain in force for six (6) years after Final Completion. The insurance described above shall include coverage for underground, collapse and explosion exposures.

§ 17.1.3 In addition, the Contractor shall purchase and maintain insurance for claims under workers' compensation (industrial insurance), disability benefit and other similar employee benefit acts in the State statutory amount and Stop Gap Liability Insurance (Employer's Contingent Liability) with coverage of at least \$1,000,000 each occurrence and \$1,000,000 each accident.

§ 17.1.4 The Contractor shall ensure and require that Subcontractors of all tiers have insurance coverage to cover bodily injury and property damage on all operations and all vehicles owned or operated by Subcontractors of all tiers in the amount of \$2,000,000 per occurrence with a \$2,000,000 aggregate limit. As an alternative, Subcontractors can provide umbrella liability insurance to meet such aggregate limit coverage. Also, the Subcontractors shall name the Contractor and the Owner as an additional insured giving thirty (30) days' notice of cancellation

§ 17.1.5 If the Owner is damaged by the failure of the Contractor to maintain any of the above insurance or to so notify the Owner, then the Contractor shall bear all costs attributable thereto. THE OWNER MAY WITHHOLD PAYMENT PENDING RECEIPT OF ALL CERTIFICATES OF INSURANCE WITH ENDORSEMENTS ATTACHED. Failure to withhold payment shall not constitute a waiver.

§ 17.1.6 The Owner's specification or approval of the insurance in this Contract or of its amount shall not relieve or decrease the liability of the Contractor under the Contract Documents or otherwise. Coverages are the minimum to be provided and are not limitations of liability under the Contract, indemnification, or applicable law provisions. The Contractor may, at its expense, purchase larger coverage amounts. The Contractor shall purchase from, and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations and completed operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations under Section 9.15. Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. The Contractor shall cause the commercial liability coverage required by the Contract Documents to include: (1) the Owner, the Architect and the Architect's Consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

## § 17.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

## § 17.3 PROPERTY INSURANCE

§ 17.3.1 Unless otherwise provided, the ~~Owner-Contractor~~ shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on an builder's risk "all-risk" or equivalent policy form, including builder's risk, to cover the course of construction in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 15.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 17.3.1 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and sub-subcontractors in the Project. This insurance shall insure against the perils of fire, water damage, and extended coverage and physical loss or damage and shall provide "all risk" coverage for the interests of the Owner, the Contractor and Subcontractors as named insured, as their respective interests may appear. Each loss may be subject to a deductible of \$10,000. Losses up to the deductible amount or otherwise not covered by insurance shall be the responsibility of the Contractor. This insurance shall include as loss payee the Owner, the Contractor and Subcontractors of any tier as named insureds, as their respective interests appear. The policy shall be endorsed to allow complete or partial occupancy by the Owner before or after Substantial Completion without the insurer's approval. This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 17.3.2 The ~~Owner-Contractor~~ shall file a copy of each policy with the ~~Contractor-Owner~~ before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least thirty (30) days' prior written notice has been given to the Contractor-Owner.

§ 17.3.3 Waivers of subrogation. The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 12, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Section 17.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the named insured-Owner-as-fiduciary. The Owner does not waive the subrogation rights to the extent of its property insurance on structures or portions of structures that do not comprise the Work. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 12, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 17.3.4 Adjustment. ~~A-Upon the occurrence of a loss insured under the Owner's property insurance, the Owner shall participate in and approve the adjustment and settlement of any loss with the insurers shall be adjusted by the Owner-as-fiduciary and made payable to the Owner-as-fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.~~

## § 17.4 PROOF OF INSURANCE

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§ 17.4.1 Before commencing Work or exposure to loss can occur, the Contractor shall furnish the Owner with Certificates of Insurance, in duplicate, as evidence of all insurance required by the Contract Documents and shall also provide the Owner with a copy of the builder's risk policy required in Section 17.3.1. No progress payment will be due until all such Certificates and policies are furnished. All policies and certificates must be signed copies and shall contain a provision that coverages afforded under the policies cannot be materially altered (i.e., the coverages reduced, the limits decreased, or the additional insured removed), allowed to expire, or cancelled without first giving thirty (30) days' prior written notice to the Owner. The Contractor shall furnish to the Owner copies of any subsequently issued endorsements amending, modifying, altering, or restricting coverage of limits. Furthermore, such policies or certificates shall verify that the policy contains coverage for blanket contractual liability including both oral and written contracts and acknowledge the indemnification provisions and liability coverages called for by this Agreement. Upon written request, the Contractor will provide a copy of its policy to the Owner. Losses up to the deductible amount shall be the responsibility of the Contractor. Such insurance shall be maintained until the project is accepted by the Owner.

§ 17.4.2 Coverage shall be written on an occurrence basis and shall be maintained without interruption from the date of commencement of the Work until the date of Final Completion.

#### **§ 17.54-PERFORMANCE BOND AND PAYMENT BOND**

§ 17.54.1 The Owner may require, in the Contract Documents or otherwise in writing, that the Contractor or any Subcontractor secure from a surety company acceptable to the Owner (and admitted and licensed in the state where the Project is located) and maintain and pay for bonds covering the faithful performance of the Contract and payment of obligations arising under the Contract Documents, each in the full amount of the Contract Sum. If the Owner requires such bond, the Contractor, within ten (10) days after the issuance of the Notice of Intent to Award Contract, shall deliver evidence of its bondability to the Owner, and within ten (10) days of entering into the Contract, the Contractor shall deliver copies of the bonds to the Owner and the Architect. THE OWNER MAY DECLINE TO ENTER INTO THE CONTRACT IF EVIDENCE OF BONDABILITY IS NOT RECEIVED. THE OWNER MAY WITHHOLD ITS "NOTICE TO PROCEED" AND/OR WITHHOLD PAYMENT TO THE CONTRACTOR UNTIL SUCH SURETY BONDS ARE RECEIVED. The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 17.54.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

#### **ARTICLE 18 CORRECTION OF WORK**

§ 18.1 The Contractor shall promptly and at no cost to the Owner correct Work rejected by the Architect or Owner or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's and Owner's services and expenses made necessary thereby, shall be at the Contractor's expense, unless compensable under Section A.2.7.3 in Exhibit A, Determination of the Cost of the Work.

§ 18.2 In addition to the Contractor's obligations under Section 9.4, if, within one (1) year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 15.4.3 the Contract Documents, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it according to the requirements of this Section with no change in the Cost of the Work promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the

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~~Contractor and to make a claim for breach of warranty. If the Contractor does not promptly initiate work to correct the Work designated in the notice, the Owner may proceed to correct the Work, the Owner may dispose of materials and equipment as it sees fit, and the Contractor will be liable for all costs. This obligation shall survive acceptance of the Work or termination of the Contract, is in addition to other warranties or remedies available to the Owner as provided by contract or law, and does not establish a time limit for damages.~~

§ 18.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 8.3.

§ 18.4 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 18.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 18.

~~§ 18.6 Existing structures and facilities, including but not limited to buildings, landscaping, utilities, topography, streets, curbs, and walks, that are damaged or removed due to excavations or other construction work of the Contractor, shall be patched, repaired or replaced by the Contractor at the Contractor's cost to the satisfaction of the Owner, the owner of such structures and facilities, and governmental authorities having jurisdiction. In the event that the governmental authorities require that the repairing and patching be done with their own labor and/or materials, the Contractor shall abide by such regulations and it shall pay for such work at no additional cost to the Owner.~~

## ARTICLE 19 MISCELLANEOUS PROVISIONS

### § 19.1 ASSIGNMENT OF CONTRACT

~~The Contractor shall not assign the Contract (or any rights thereunder) without written consent of the Owner. The Owner may assign its rights or obligations under the Contract, in whole or in part, upon written notice to the Contractor. Neither party to the Contract shall assign the Contract without written consent of the other, except that the Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.~~

### § 19.2 GOVERNING LAW

~~The Contract shall be governed by the internal law of the State of Illinois place where the Project is located, without regard to its choice-of-law provisions. The Contractor shall abide by the provisions of all applicable statutes, regulations, and laws except, that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 21.4.~~

### § 19.3 TESTS AND INSPECTIONS

Tests, inspections and approvals of portions of the Work required by the Contract Documents or by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect and Owner timely notice of when and where tests and inspections are to be made so that the Owner and Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating the costs to the Contractor.

**§ 19.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD**

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement and within the period specified by the internal law of the State of Illinois applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 19.4. Notwithstanding the above, any applicable statute of repose or statute of limitations shall commence to run, and any alleged cause of action shall be deemed to have accrued, no earlier than the date of Substantial Completion.

**§ 19.5 UNENFORCEABLE PROVISION**

Should any provision of the Contract be found to be unenforceable for any reason, such provision shall continue in effect to the extent it remains valid. All other provisions shall remain in full force and effect.

§ 19.6 To the extent required by applicable law, the Contractor, and all applicable Subcontractors shall be properly licensed (including by the municipality, if applicable), bonded, and insured to perform the Work required by the Contract Documents. The Contractor shall abide by the provisions of all applicable statutes, regulations, and ordinances. Although a number of statutes are referenced in the Contract Documents, these references are not meant to be a complete list and should not be relied upon as such.

§ 19.7 The provisions of the Contract Document which by their nature survive Final Completion of the Work, shall remain in full force and effect after such termination.

§ 19.8 Where formal notice must be given to the Owner under this Agreement, such notice shall be provided to the Owner's representative and to:

<u>To</u>	<u>DeVry Inc. c/o Newmark Knight Frank Lease Administration 2400 N. Dallas Parkway, Suite 300 Plano, TX 75093</u>
<u>Copy to</u>	<u>DeVry Inc. 3005 Highland Parkway Downers Grove, IL 60515-5799 Attn: Real Estate Department</u>
<u>Copy to</u>	<u>DeVry Inc. 3005 Highland Parkway Downers Grove, IL 60515-5799 Attn: Legal Department</u>

**§ 19.9 CONFIDENTIALITY**

The Contractor shall maintain the confidentiality of all Owner information, unless withholding such information would violate the law, create the risk of significant harm to the public or prevent the Contractor from establishing a claim or defense in an adjudicatory proceeding. The Contractor shall require that its Subcontractors of any tier also maintain the confidentiality of all Owner information. The Contractor shall not have the right to identify the Owner or the Project in any of the Contractor's promotional or professional materials unless the Owner has provided its prior written consent to the specific promotional or professional materials.



## ARTICLE 20 TERMINATION OR SUSPENSION OF THE CONTRACT

### § 20.1 TERMINATION OR SUSPENSION BY THE CONTRACTOR

If the Architect or Owner fails to certify payment as provided in Section 1.5.2.1 for a period of thirty (30) days through no fault of the Contractor, or if the Owner fails to make payment as provided in Section 4.1.3 for a period of thirty (30) days, the Contractor may, upon seven (7) additional days' written notice to the Owner and the Architect, during which time the Owner shall have an absolute opportunity to cure, suspend or terminate the Contract and recover from the Owner payment for proven loss with respect to Work properly executed, but not overhead, profit, or other losses for Work not performed. The total recovery of the Contractor shall not exceed the unpaid balance of the Contract Sum, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

### § 20.2 TERMINATION BY THE OWNER FOR CAUSE

§ 20.2.1 The Owner may, upon seven (7) days' written notice to the Contractor, terminate (without prejudice to any right or remedy of the Owner) the whole or any portion of the Work for cause, the Contract if the Contractor:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make prompt payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly, persistently or materially disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority having jurisdiction; or
- .4 otherwise is guilty of a material or substantial breach or default under a provision of the Contract Documents;
- .5 fails to prosecute the Work or any portion thereof with sufficient diligence to ensure the Substantial Completion of the Work within the Contract Time; or
- .6 is adjudged bankrupt, makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of its insolvency.

If, after the Contractor has been terminated pursuant to this Section, it is determined that none of the circumstances set forth in Section 20.2 exists, then the termination shall be for convenience under Section 20.3.

§ 20.2.2 When any of the above reasons exists, the Owner, ~~upon certification by the Architect that sufficient cause exists to justify such action,~~ may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven (7) days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 20.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 20.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect; upon application, and this obligation for payment shall survive termination of the Contract.

### § 20.3 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 20.3.1 The Owner may, at any time upon seven (7) days' written notice to the Contractor, terminate (without prejudice to any right or remedy of the Owner) the whole or any portion of the Work for the convenience of the Owner, the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

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§ 20.3.2 The Owner shall be liable to Contractor only for those costs reimbursable to Contractor in accordance with the following plus ten percent (10%) of the actual costs recovered under this Section:

- .1 the amount due and unpaid as of the date of termination for Work necessarily and properly performed prior to the date of termination, and
- .2 other pre-approved costs, consistent with Section 13.5, necessary and reasonably incurred in connection with the termination of the Work.

§ 20.3.3 The total sum to be paid to the Contractor under this Section 20.3 shall not exceed the Contract Sum as reduced by the amount of payments otherwise made.

#### § 20.4 EFFECTS OF TERMINATION

§ 20.4.1 Unless the Owner directs otherwise, after receipt of a Notice of Termination from the Owner pursuant to Section 20.2 or 20.3, the Contractor shall promptly:

- .1 stop Work under the Contract on the date and as specified in the Notice of Termination;
- .2 place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of any portion of the Work that is not terminated;
- .3 procure cancellation of all orders and subcontracts, upon terms acceptable to the Owner, to the extent that they relate to the performance of Work terminated;
- .4 assign to the Owner all of the right, title and interest of the Contractor under any orders and subcontracts, in which case the Owner shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- .5 with the Owner's approval, settle all outstanding liabilities and all Claims arising out of such termination of orders and subcontracts not assigned to the Owner;
- .6 transfer title and deliver to the entity or entities designated by the Owner the fabricated or unfabricated parts, Work in process, partially completed supplies and equipment, materials, parts, tools, dies, jigs and other fixtures, completed Work, supplies and other material produced as part of, or acquired in connection with the performance of, the Work terminated, and the completed or partially completed plans, drawings, information and other property related to the Work;
- .7 use its best efforts to sell any property of the types referred to in Section 20.4.1.6. The Contractor may acquire any such property under the conditions prescribed by and at a price or prices approved by the Owner, and the proceeds of any such transfer or disposition may be applied in reduction of any payments to be made by the Owner to the Contractor;
- .8 take such action as may be necessary or as directed by the Owner to preserve and protect the Work and property related to this Project in the possession of the Contractor in which the Owner has an interest; and
- .9 continue performance only to the extent not terminated.

#### ARTICLE 21 CLAIMS AND DISPUTES

§ 21.1 Claims, disputes and other matters in question arising out of or relating to this Contract, including those alleging an error or omission by the Architect ("Claims"), except claims which have been waived under the terms of the Contract Documents, but excluding those arising under Section 16.2, shall be decided exclusively by the following dispute resolution procedure unless the parties mutually agree in writing otherwise referred initially to the Architect for decision. Such matters, except those waived as provided for in Section 21.2, Article 21 and Sections 15.5.3 and 15.5.4, shall, after initial decision by the Architect or 30 days after submission of the matter to the Architect, be subject to mediation as a condition precedent to binding dispute resolution litigation by either party. This requirement cannot be waived except by an explicit written waiver. The Contractor shall submit a written notice to the Owner of all Claims (including without limitation Claims for an increase in the Contract Sum or an extension of the Contract Time) before proceeding to execute the Work and, in all events, within fourteen (14) days

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of the event giving rise to them and shall include a clear description of the event leading up to the Claim. The Contractor shall also submit a written Claim within thirty (30) days of the notice and shall include in the Claim a clear description of the Claim, the proposed change in the Contract Sum and/or Contract Time of the Claim and provide data supporting the Claim. Failure to comply with these requirements shall constitute waiver of the Claim. The Claim shall include all changes, direct and indirect, in cost and in time to which the Contractor (and Subcontractors of any tier) is entitled. Neither a Request for Information, nor an Owner's request for or the Contractor's response to a Change Order proposal, nor a notice of potential or future claim shall constitute a Claim.

§ 21.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by litigation.

§ 21.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree in writing otherwise, shall be administered by the American Arbitration Association in accordance with their the Construction Industry Mediation Procedures Rules of the American Arbitration Association then in effect, and shall be held in Chicago, Illinois or as otherwise mutually agreed on the date of the Agreement. A request for mediation shall be made filed in writing, delivered to with the other party to this Agreement, and filed with the person or entity administering the mediation. If the parties cannot agree on a mediator within thirty (30) days of receipt of the request, either party may file the request with the American Arbitration Association. The request may be made concurrently with the binding dispute resolution but, in such event, mediation Mediation shall proceed in advance of binding dispute resolution legal or equitable proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. This mediation requirement cannot be waived except by an explicit written waiver signed by the Owner and the Contractor. If an arbitration is stayed pursuant to this Section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 21.4 Claims, disputes and other matters in question arising out of or relating to the Contract that are not resolved by mediation, except matters relating to aesthetic effect and except those waived as provided for in the Contract Documents, shall be decided by litigation unless the parties mutually agree in writing otherwise. All unresolved Claims shall be waived and released unless the Contractor has complied with the time limits of the Contract Documents, and litigation is served and filed within the earlier of (a) ninety (90) days after Final Completion, or (b) 120 days after Substantial Completion. This requirement cannot be waived except by an explicit written waiver signed by the Owner and the Contractor. The pendency of a mediation shall toll these deadlines until the earlier of the mediator providing written notice to the parties of impasse or thirty (30) days after the date of the last mediation session. If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any claim, subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association, in accordance with the Construction Industry Arbitration Rules in effect on the date of this Agreement. Demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 21.5 The Contractor shall diligently carry on the Work and maintain the construction schedule during any dispute resolution proceedings, unless otherwise agreed by it and the Owner in writing. Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 21.6 Written Notice and Waiver. All notice and Claims shall be made in writing as required by the Contract. Any notice of a Claim of the Contractor against the Owner and any Claim of the Contractor, whether under the Contract Documents or otherwise, must be made pursuant to and in strict accordance with the applicable provisions of the Contract. No act, omission, or knowledge, actual or constructive, of the Owner or the Architect shall in any way be

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deemed to be a waiver of the requirement for timely, written notice and a timely, written Claim unless the Owner and the Contractor sign an explicit, unequivocal written waiver approved by the Owner's in-house counsel. The fact that the Owner and the Contractor may consider, discuss or negotiate an untimely, defective or waived Claim shall in no way be deemed to constitute a waiver of any notice or other provision of the Contract Documents unless the Owner and the Contractor sign an explicit, unequivocal written waiver approved by the Owner's in-house counsel. Actual or alleged prejudice shall not be required to enforce a notice or Claim submittal provision of the Contract. Any party to an arbitration may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described in the written Consent.

§ 21.7 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

**§ 21.7.8 CLAIMS FOR CONSEQUENTIAL DAMAGES**

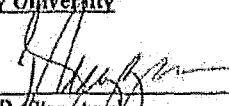
Unless specifically provided for in other provisions of the Contract Documents, The the Contractor and Owner waive Claims against each other for consequential and punitive damages arising out of or relating to this Contract. This mutual waiver includes without limitation


- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal and home office overhead and expenses including without limitation the compensation of personnel stationed there, for losses of financing, business and reputation, for losses on other projects, and for loss of profit, and for financing costs except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 20. Nothing contained in this Section 21.7.7-8 shall be deemed to preclude an award of liquidated delay damages, when applicable, in accordance with the requirements of the Contract Documents, or to preclude an obligation of the Contractor to indemnify the Owner for direct, indirect or consequential damages alleged by a third party.

This Agreement entered into as of the day and year first written above.

DeVry University

  
OWNER (Signature)  
Timothy Wiggles  
(Printed name and title)  
SUPV CFO

  
CONTRACTOR (Signature)  
STEVEN J. LEMMALA  
(Printed name and title)



**EXHIBIT A**

**Clarifications and Exclusions and Project Schedule**

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



**ICG**  
INTERIOR  
CONSTRUCTION  
GROUP, INC.

210 S. CLARK STREET  
SUITE 1300  
CHICAGO, IL 60604

PHONE 312.553.4949  
FAX 312.553.0649

**DeVry Online**  
300 S. Riverside Plaza, 7<sup>th</sup> Floor  
Chicago, IL 60606

January 18, 2012  
ICG Job #1319-12

In order to avoid any confusion and to better allow the team members to understand our proposal, the following are the clarifications relating to our proposal:

1. Exclude costs due to changes to plans and specifications requested by governing authorities.
2. All work to be completed during normal business hours (7:00 a.m. to 3:30 p.m., Monday through Friday) unless specifically noted otherwise.
3. Excludes repairs or correction to existing equipment or piping unless specifically noted.
4. No costs are included for x-raying of floors. ICG excludes costs for any damage to embedded items.

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5. No costs are included in this proposal for handling any existing hazardous materials. It is assumed that there is no asbestos containing material (ACM), presumed asbestos containing material (PACM), lead or other types of hazardous materials in the areas where ICG is to perform work. If any hazardous materials exist, ICG is to be notified prior to the commencement of construction of the location and quantity of such materials pursuant to the OSHA Safety and Health Regulations for Construction.
6. ICG may select a Subcontractor other than the one listed, provided that the cost does not increase.
7. Proposal excludes cost of CADD diskettes by Architect or Engineers, etc.
8. Any costs associated with subcontractor performance and payment bonds are excluded.
9. We assume free use of the freight elevator and all utilities.
10. Proposal excludes all signage.
11. Proposal excludes Owner's furniture and equipment.
12. Due to the fast track nature of the construction schedule, the proposal excludes HVAC and Fire Protection Shop Drawings but includes As-Built Drawings.
13. Proposal schedule is based on a maximum five (5) day turnaround on shop drawings and submittals. Priority submittals shall be identified for the Architect and Engineer to accelerate approvals of critical submittals.

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



14. Proposal assumes the building shall provide sufficient space for a trash dumpster at the loading dock in order to maintain the proper flow of trash removal from the building.
15. All costs associated with Building Management have been excluded from the proposal. Costs which may be incurred are the following:
  - Operator Cost
  - Hoisting Charges
  - Building Personnel Charges
  - Watchmen Services
  - Loading Dock Charges
  - Drain Down and Fill Fees
16. Proposal assumes the free use of the existing base building toilet facilities.
17. Existing conditions are presumed to be constructed to be in compliance with code requirements. No costs are included to correct any code violations unless specific violations are noted to be corrected in the bid documents.
- ~~18. It is assumed that the end user will have regular maintenance performed on all equipment that is warranted under our contract.~~
19. The standard AIA A101-2007 Agreement Between Owner and Contractor shall apply if no other agreement is executed.
20. We do not include any fines or penalties levied by the City of Chicago for TIF compliance shortfalls.
21. Proposal includes City of Chicago permit cost of \$21,800.00 for the 7<sup>th</sup> floor demo and build-out (per calculation table on IA drawing AN-0.0).

### **02-050 – DEMOLITION**

1. Proposal includes demo scope per plans.
2. Existing washroom toilet and urinal fixtures will be removed by plumber and turned over to building management.
3. Proposal includes demolition and removal of roof top dry coolers, piping, pumps and concrete pads.

### **03-300 – CONCRETE**

1. Proposal includes concrete pads for the following pieces of equipment:
  - Air handling unit AHU 7.1
  - Pumps P-5 & P-6
  - Switch board extensions (2 each)
  - Electrical transformers T1 and T2

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



### 04-000 – MASONRY

1. Proposal includes removing and reinstalling CMU at core walls for new mechanical piping and electrical conduit routing.

### 05-100 – STRUCTURAL STEEL

1. Furnish and install structural steel per Sheet S103.

### 06-400 – MILLWORK

1. Reception desk from JSI Architectural Woodwork.
2. All other millwork per plans and specs.

### 07-250 – FIREPROOFING

1. ~~Proposal includes patching and repairing existing spray-on fireproofing damaged by new above ceiling installations.~~

### 08-700 – DOORS, FRAMES & HARDWARE

1. We have included finish hardware as specifically indicated in the individual hardware sets on sheet AN-4.0. Final keying of cylinders to be furnished by others.
2. We have included US26D (stain chrome) finish for hinges, locksets, flushbolts, floor stops and roller latches. We have included US32D (satin stainless steel) finish for coat hooks, automatic flushbolts, wallstops, and kick plates. Closers are quoted 689 aluminum powder coat finish, not plated US26D.
3. Door schedule lists opening 765 twice as singled doors, frame and hardware. This opening is shown on floor plan as a paired opening. We have included this opening as a pair of wood doors, one frame type 4 and hardware set 8 for one opening in this proposal.
4. Hollow metal quote is based on furnishing welded frames with 1½" frame face. Frame details on sheet A8.2 show 2" frame face however frame elevations indicate frame face as 1½".
5. Wood door quote is based on furnishing no urea formaldehyde particleboard core, medium density overlays door factory pre-fit, machined, primed. Doors meet LEED credit EQ #4.4 and MR#4.
6. Proposal includes new doors, frames, and hardware as scheduled on drawing AN-4.0. Cost savings could be achieved by removing and reusing exiting doors, frames, hardware, but we would need to survey with architect and determine what is acceptable to DeVry.

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



### 08-800 – GLASS & GLAZING

1. Includes one (1) ½" clear tempered glass doors with sidelites. Hardware includes header, overhead concealed closers, top and bottom rails, 48" Rockwood pulls, double Maglock and floor stops.
2. Includes six (6) lites of ¼" clear tempered glass set in type E wood doors.
3. Includes 45 lites of ¼" clear tempered glass set in aluminum framing.

### 09-250 & 09-500 – ROUGH CARPENTRY, DRYWALL & ACOUSTICAL CEILING

1. Drywall partitions as shown.
2. Patching of existing walls for new electric, plumbing and demo scars.
3. Includes Patch of existing wall in restroom locations.
4. Construct mullion to partition details.
5. Interior drywall ceilings and soffits.
6. Level 5 finish at wall receiving wallcovering.
7. Construct custom acoustical partition type H.
8. Install doors frames and hardware as indicated.
9. Install side lite frames.
10. Install fire extinguisher cabinets.
11. install toilet accessories.
12. Provide in wall blocking.
13. Install coat hooks and closers.
14. Proposal includes shimming new acoustical ceiling grid in lieu of shadow line cutting of the ceiling tiles

### 09-900 – CERAMIC

1. Proposal includes minor floor prep for new ceramic floor finishes at Toilet Rooms 733 and 756. Water proof membrane is not included.
2. Proposal includes 1 coat of penetrating sealer at new floor tile locations.

### 09-800 – FLOOR TREATMENT

1. An allowance is included to provide a smooth but not necessarily level surface to receive specified floor finishes. A floor survey and/or leveling to specified tolerances is not included. Once the existing carpet is removed, the design/construction team should re-visit this issue at the job site.

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



### 09-900 – PAINTING

1. Proposal included Benjamin Moor "Aura" paint for paint types p-3, p-5, and p-6 as indicated on Paint Schedule- sheet AN-4.2.
2. Proposal includes field painting of new roof top support steel for chillers CH-1 and CH-2.
3. Proposal includes painting of 7<sup>th</sup> floor Passenger Elevator doors and frames on off hours.

### 11-450 – RESIDENTIAL EQUIPMENT

1. Per plans and specs.

### 12-500 – WINDOW TREATMENT

1. Proposal includes protection of existing perimeter window blinds in place. Protection will be removed and blinds will be cleaned during final clean.

### 15-300 – FIRE PROTECTION

1. Excludes raising or relocating existing fire protection main and branch piping.

### 15-400 – PLUMBING

1. Proposal includes floor scan of concrete slab prior to coring for new plumbing.

### 15-500 – HVAC

1. Modular central station air handling unit complete with double wall construction, SCR electric heat section, chilled water coil section, internal spring isolators, extended grease lines, 2" MERV 8 filters, 12" MERV 15 electronic filters, hinged access doors, factory installed VFD with bypass, and factory start up. Based Carrier or approved equal.
2. Air-cooled chillers complete with rotary scroll compressors, Microchannel E-Coat, cooler heater, non-fused disconnect switch, single point power entry, hail guards and security guards, BACnet card, 1" spring isolators, Chicago code relief valves, dual inline pump package, factory start-up. Based on Carrier or approved equal.
3. Direct drive inline exhaust fans complete with vibration isolators, disconnect switch, and speed controller. Based on Twin City Fan or approved equal.
4. Belt drive inline exhaust fan complete with vibration isolators, access door, and belt guard. Based on Twin City Fan or approved equal.
5. Horizontal fan coil units with chilled water coils, condensate pumps, ECM motors, primary air damper, disconnect switch, stainless steel drain pan, air filter, Steri-Liner, and dust tight controls enclosure, condensate pump, and factory piping package with 2-way modulating actuator. Based on Nailor Industries.



## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



6. 2x2 supply diffusers, and (77) 2x2 return/exhaust grilles. Based on Nailor Industries or approved equal.
7. Static fire dampers complete with access door. Based on Ruskin or approved equal @ Mech Room 745
8. (8) Motor operated dampers with jam and blade seals. Bases on Ruskin or approved equal.
9. Aluminum louvers complete with baked enamel finish and bird screen, Based on Ruskin or approved equal.
10. AC units AC 7.1 and AC 7.2
11. (2) Base mounted chilled water pumps complete with premium efficiency motor, VFD, suction diffuser, inertial base, and triple duty valve. Based on Taco or approved equal.
12. Bladder tank and (1) air separator. Based on Taco or approved equal.
13. Glycol fill station complete with self priming well pump, pressure switch, expansion tank, and float switches. Based on Taco or approved equal
14. Wall mounted environmental control systems complete with split system evaporator, point leak-sensor, and condensate pump. Based on Liebert or approved equal.
15. Electric unit heaters complete with integral thermostat (furnish only). Based on King or approved equal.
16. All required sheet metal ductwork per SMACNA. Ductwork to be as follows: Rectangular medium pressure supply ductwork to have 1 1/2" external insulation; Rectangular low pressure supply ductwork downstream of VAV terminal units to have 1" internal liner; Round medium pressure supply ductwork to VAV terminal units to be spiral lock seam and have 1 1/2" external insulation; Round low pressure supply ductwork to be snap-lock and have 1 1/2" external insulation; Round return and exhaust ductwork to be un-insulated; Transfer ductwork to have 1" internal liner; Exhaust ductwork to have 1" internal liner; All new duct work to be sealed to prevent excessive leakage per International Energy Code
17. All required condenser water piping, condensate piping, and DX refrigerant piping as follows: Chilled water piping 1 1/4" and larger to be scheduled 40 black steel with fiberglass insulation; Chilled water piping 1" and smaller to be copper type L with fiberglass insulation; Condenser water piping to be scheduled 40 and be un-insulated; Condensate piping to be type L copper and have 1" fiberglass insulation
18. All required roof support rails for piping.
19. Complete test and balance by independent certified technician with written report.
20. As-Built drawing.
21. Hoisting of equipment to roof via helicopter on premium time (Saturday only).
22. Start-up, test, and commissioning of equipment.
23. 1 year warranty on all material and labor.

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



24. Complete Andover building automation system through ITG Solutions/ Schneider Electric. Should the client want to use Tritium Building Automation through Automatic Building Controls, you may deduct (\$60,000.00) from our base bid.

### 16-100 & 16-110 – ELECTRICAL & LIGHT FIXTURES

1. Furnish and install temporary lighting and power for construction.
2. Re-work existing 1200 amp switchboards for the North and South Penthouses and add additional buss detail for new 400 Amp switches and CT sections.
3. Furnish and install (1) 400 amp CT on the end of each section of switchgear (North and south).
4. Furnish and install (2) 400 Amp main lug only panels (CH-S and CH-N).
5. Furnish and install (2) 2 ½" conduits and feeder cables between the 400 Amp CTs and the new chiller panels.
6. Furnish and install new feeders from the chiller panels to the chiller equipment on the roof.
7. Disconnect and remove 800 amp switchboard on the 4th floor.
8. Furnish and install a new 800 amp switchboard with (2) meters on the 4th floor.
9. Furnish and install a 400 amp feeder from the 4th floor to the 7th floor.
10. Furnish and install new panel 7H1 and connect to the new 400 amp feeder.
11. Furnish and install (1) 45 kVa transformer and new panel 7TFS connected to new panel 7H1.
12. Furnish and install (2) new Emon/Dmon meters on panels 7H1 and 7TFS.
13. Furnish and install new panel 7H1A in the North tenant storage room and connect to panel 7H1.
14. Furnish and install (1) 45 kVa transformer and new panel 7TFN connected to new panel 7H1A.
15. Disconnect and remove (2) power panels and feeders on 7 South.
16. Disconnect and remove (1) power panel and feeder on 7 North
17. Furnish and install (1) new power panel (7N8B) on the North side.
18. Furnish and install power feeds to (63) fan coil units.
19. Furnish and install power feeds to (65) condensate pumps.
20. Furnish and install power feeds to (5) exhaust fans.
21. Furnish and install power feeds to (2) AC units.
22. Furnish and install power feeds to (2) water heaters.
23. Furnish and install power feeds to (1) air handling unit.
24. Furnish and install power feeds to (3) unit heaters.

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



25. Furnish and install power feed to (1) pump.
26. Furnish and install power feed to (1) re-circulating pump.
27. Furnish and install column power furniture feeds at (38) locations.
28. Furnish and install coring and power furniture feeds at (37) locations.
29. Furnish and install conduit and wiring for (137) receptacles.
30. Furnish and install coring and (7) combination "poke-thru" devices in the conference rooms.
31. Furnish and install power at (3) projector locations.
32. Furnish and install raceway wiring and (2) duplex receptacles in (438) workstations.
33. Furnish and install empty conduit and back boxes for (38) column voice/data furniture feed locations.
34. Furnish and install coring for furniture voice/data feeds at (37) locations.
35. Furnish and install empty conduit and back boxes at (54) voice/data locations.
36. Furnish and install empty conduit and back boxes at (7) "poke-thru" locations.
- ~~37. Furnish and install empty conduit and back boxes at (3) projector locations.~~
38. Furnish and install empty conduit and back boxes for (9) WAP locations.
39. Furnish and install empty conduit and back boxes for (7) card reader locations.
40. Furnish and install conduit and wiring for fire alarm locations per plans and specs.
41. Sub-contract with Simplex for City submittals, devices, final terminations, and testing.
42. Furnish and install conduit and wiring for complete lighting package including fixtures, exit signs, occupancy sensor switches, and Lutron lighting control package per plans.
43. Furnish and install (2) AV 2's and (9) AV 17s.
44. Furnish and install JESCO LED strip lighting per detail 3 on A8.2.

### 16-210 & 16-400 - SECURITY & TELE-DATA

1. By Owner

### ALTERNATES

#### **ALTERNATE #1**

Cost to F&I double switch ballasts for lighting at Open Office 702, 707, 724, 729, 737 & 757 with dual override switches (Reference Alternate #1 on sheet AN-1.0).

See Alternate #3

#### **ALTERNATE #2**

## EXHIBIT A - CLARIFICATIONS AND EXCLUSIONS



Cost to F&I type C drywall partition to underside of grid with typical paint and wall base finishes, in lieu of aluminum frame and glass storefront between Break Area 729 and Corridor 760 (Reference Alternate #1 on sheet AN-1.0).

DEDUCT: (\$1,000.00)

### ALTERNATE #3

Lighting Control – Dual Switching Alternate per ESD drawing EG40. Cost to provide bi-level switching to all type F1 light fixtures in open office areas (approx 252 type F1 fixtures).

ADD: \$49,160.00

**EXHIBIT B**  
**Document List**

## EXHIBIT B – DOCUMENT LIST



**ICG**  
INTERIOR  
CONSTRUCTION  
GROUP, INC.

210 S. CLARK STREET  
SUITE 1300  
CHICAGO, IL 60604

PHONE 312.553.4949  
FAX 312.553.0849

**DeVry Online**  
300 S. Riverside Plaza, 7<sup>th</sup> Floor  
Chicago, IL 60606

January 18, 2012  
ICG Job #1319-12

1. This proposal is based on the following documents as qualified herein:
  - a. Architectural Drawings as prepared by IA Interior Architects:

<u>Sheet No.</u>	<u>Description</u>	<u>Dated</u>
AN-0.0	Cover Sheet	November 23, 2011
AN-1.0	Project Information And Code Data	November 23, 2011
AN-1.1	Project Notes And Abbreviations	November 23, 2011
AN-1.2	LEED Information	November 23, 2011
AN-2.0	General Notes	November 23, 2011
AN-2.2	Specifications	November 23, 2011
AN-2.3	Specifications	November 23, 2011
AN-2.4	Specifications	November 23, 2011
AN-2.5	Specifications	November 23, 2011
AN-2.6	Specifications	November 23, 2011
AN-2.7	Specifications And Sample LEED Submittals	November 23, 2011
AN-3.0	7 <sup>th</sup> Floor Exiting Schedule	November 23, 2011
AN-4.0	Door And Hardware Schedule	December 20, 2011
AN-4.1	Equipment Schedules	December 20, 2011
AN-4.2	Finish Schedules	November 23, 2011
AN-4.3	Av Schedule	November 23, 2011
07A-0.1	7 <sup>th</sup> Floor Demolition Plan – North	December 20, 2011
07A-0.2	7 <sup>th</sup> Floor Demolition Plan - South	December 20, 2011
07A-0.3	7 <sup>th</sup> Floor Demo Reflected Ceiling Plan- North	November 23, 2011
07A-0.4	7 <sup>th</sup> Floor Demo Reflected Ceiling Plan- South	November 23, 2011
07A-1.0	7 <sup>th</sup> Floor Partition Plan – North	November 23, 2011
07A-1.1	7 <sup>th</sup> Floor Partition Plan – South	November 23, 2011
07A-2.0	7 <sup>th</sup> Floor Power And Signal Plan – North	December 20, 2011
07A-2.1	7 <sup>th</sup> Floor Power And Signal Plan – South	December 20, 2011
07A-3.0	7 <sup>th</sup> Floor Reflected Ceiling Plan – North	December 20, 2011
07A-3.1	7 <sup>th</sup> Floor Reflected Ceiling Plan – South	December 20, 2011
07A-4.0	7 <sup>th</sup> Floor Finish Plan – North	November 23, 2011
07A-4.1	7 <sup>th</sup> Floor Finish Plan – South	December 20, 2011
07A-5.0	7 <sup>th</sup> Floor Furniture Plan – North	November 23, 2011
07A-5.1	7 <sup>th</sup> Floor Furniture Plan – South	November 23, 2011
07EQ-1.0	7 <sup>th</sup> Floor Equipment Plan – North	November 23, 2011
07EQ-1.1	7 <sup>th</sup> Floor Equipment Plan – South	November 23, 2011
A-6.0	Enlarged Toilet Rooms	December 20, 2011
A-6.1	Enlarged Toilet Rooms-Existing	November 23, 2011
A-7.0	Elevations	November 23, 2011
A-8.0	Partition Details	November 23, 2011
A-8.1	Partition Details	December 20, 2011
A-8.2	Door & Ceiling Details	December 20, 2011

**EXHIBIT B – DOCUMENT LIST**



<u>Sheet No.</u>	<u>Description</u>	<u>Dated</u>
A-8.3	Mounting Alignment Details	November 23, 2011
A-8.4	Millwork Details	November 23, 2011
A-8.5	Details	November 23, 2011

b. Engineering Drawings as prepared by Environmental Systems Design, Inc.:

<u>Sheet No.</u>	<u>Description</u>	<u>Dated</u>
MG-10	Mechanical Specifications	November 23, 2011
MG-11	Mechanical Specifications	November 23, 2011
MG-12	Mechanical Controls, Riser Diagram	November 23, 2011
MG-20	7 <sup>th</sup> Floor Mechanical Ventilation Schedule	November 23, 2011
MG-21	Mechanical Schedules	November 23, 2011
MG-22	Mechanical Schedules	November 23, 2011
MG-23	Mechanical Schedules	December 20, 2011
MG-30	Mechanical Details	November 23, 2011
MG-31	Mechanical Details	November 23, 2011
MG-32	Mechanical Details	November 23, 2011
MG-33	Mechanical Details	November 23, 2011
MG-40	Mechanical Chilled Water Riser Diagram	November 23, 2011
MD-07.0	7 <sup>th</sup> Floor Mechanical Demo Plan – North	November 23, 2011
MD-07.1	7 <sup>th</sup> Floor Mechanical Demo Plan – South	November 23, 2011
MH-07.0	7 <sup>th</sup> Floor Mechanical Plan – North	November 23, 2011
MH-07.1	7 <sup>th</sup> Floor Mechanical Plan – South	November 23, 2011
MP-07.0	7 <sup>th</sup> Floor Mechanical Piping Plan – North	November 23, 2011
MP-07.0	7 <sup>th</sup> Floor Mechanical Piping Plan – South	November 23, 2011
MD – RF.0	Roof Mechanical Demo Plan – North	November 23, 2011
MH – RF.0	Roof Mechanical Plan – North	November 23, 2011
EG-10	Electrical Specifications	November 23, 2011
EG-11	Electrical Specifications	November 23, 2011
EG-12	Electrical Symbols List	November 23, 2011
EG-20	South Electrical Riser Diagram	November 23, 2011
EG-21	North Electrical Riser Diagram	November 23, 2011
EG-30	Electrical Panel Schedules	December 20, 2011
EG-31	Electrical Panel Schedules	December 20, 2011
EG-32	Electrical Panel Schedules	December 20, 2011
EG-33	Electrical Panel Schedules	December 20, 2011
EG-40	Lighting Control Diagrams	November 23, 2011
EG-41	Lighting Control Schedules	November 23, 2011
EG-50	Emergency Riser & Load Calcs	November 23, 2011
EP-04	4 <sup>th</sup> Floor South Power Plan	November 23, 2011
EP-07.0	7 <sup>th</sup> Floor North Power Plan	December 20, 2011
EP-07.1	7 <sup>th</sup> Floor South Power Plan	December 20, 2011
EL-07.0	7 <sup>th</sup> Floor North Lighting Plan	December 20, 2011
EL-07.1	7 <sup>th</sup> Floor South Lighting Plan	December 20, 2011
EH-07.0	7 <sup>th</sup> Floor North HVACs Power Plan	December 20, 2011
EH-07.1	7 <sup>th</sup> Floor South HVAC Power Plan	December 20, 2011
EHRF.0	North Roof HVAC Power Plan	November 23, 2011
EHRF.1	South Roof HVAC Power Plan	November 23, 2011

## EXHIBIT B – DOCUMENT LIST



<u>Sheet No.</u>	<u>Description</u>	<u>Dated</u>
EM-07.0	7 <sup>th</sup> Floor North EM Lighting Plan	November 23, 2011
EM-07.1	7 <sup>th</sup> Floor South EM Lighting Plan	November 23, 2011
FA-07.0	7 <sup>th</sup> Floor North Fire Alarm Plan	November 23, 2011
FA-07.1	7 <sup>th</sup> Floor South Fire Alarm Plan	November 23, 2011
PG-10	Plumbing Specifications	December 20, 2011
PG-20	Plumbing Diagrams	November 23, 2011
PP-07.0	7 <sup>th</sup> Floor Plumbing Plan – North	December 20, 2011
PP-07.1	7 <sup>th</sup> Floor Plumbing Plan – South	December 20, 2011
FG-10	Fire Protection Specifications	November 23, 2011
FP-07.0	7 <sup>th</sup> Floor Fire Protection Plan – North	November 23, 2011
FP-07.1	7 <sup>th</sup> Floor Fire Protection Plan – South	November 23, 2011

c. Structural Drawings as prepared by Epstein:

<u>Sheet No.</u>	<u>Description</u>	<u>Dated</u>
S-001	Structural General Notes	November 23, 2011
S-102	Partial 7 <sup>th</sup> Floor Framing Plan	November 23, 2011
2-103	Partial Roof Framing Plan	December 20, 2011

d. Addendum #1 dated December 20, 2011 as prepared by IA Interior Architects.



**EXHIBIT C**  
**Conditional and Unconditional Lien Release Forms**





WAIVER OF LIEN TO DATE

STATE OF (1) \_\_\_\_\_ )
COUNTY OF (1) \_\_\_\_\_ ) SS

Project Name

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has contracted with (2) \_\_\_\_\_ to furnish (3) \_\_\_\_\_ for the premises known as (4) \_\_\_\_\_

The undersigned, for and in consideration of (5) \$ \_\_\_\_\_ Dollars and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of \_\_\_\_\_, relating to liens of mechanics, laborers and materialmen, with respect to and upon the foregoing described property, and the improvements thereon, and with respect to any statutory lien bond, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the Owner (or Contractor), on account of labor, services, material, fixtures, apparatus or machinery furnished to this date by the undersigned for the foregoing described property.

\_\_\_\_\_ day of \_\_\_\_\_

Signature: \_\_\_\_\_
Title: \_\_\_\_\_

CONTRACTOR'S AFFIDAVIT

STATE OF (1) \_\_\_\_\_ )
COUNTY OF (1) \_\_\_\_\_ ) SS

TO WHOM IT MAY CONCERN: The undersigned, being duly sworn, deposes and says that it has contracted with (2) \_\_\_\_\_, the Contractor (or Owner) for the premises known as (4) \_\_\_\_\_. That the total Contract Sum including extras is (7) \$ \_\_\_\_\_ on which it has received payment of (8) \$ \_\_\_\_\_ for payment applications (9) \_\_\_\_\_ to \_\_\_\_\_ prior to payment. That all waivers submitted are true, correct and genuine and delivered unconditionally, and that there is no claim either legal or equitable, to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or subcontracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

Table with 6 columns: NAMES, TYPE OF WORK, CONTRACT SUM, AMOUNT PAID, THIS PAYMENT, BALANCE DUE. Includes a TOTAL row at the bottom.

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Signature: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_



### WAIVER OF LIEN TO DATE

- (1) Insert names of state and county where waiver is executed.
- (2) Insert name of party who hired you.
- (3) Describe what was furnished, e.g., carpentry, plumbing, etc.
- (4) Provide location of project by legal description and/or common address if known.
- (5) Insert amount of the previous application for payment.
- (6) Insert name of state where project is located.
- (7) Insert Contract Sum including extras.
- (8) Insert total amount of prior payments.
- (9) Insert prior payment application numbers which have been paid.
- (10) "Balance Due" plus amounts entered in the "Amount Paid" and "This Payment" columns must equal "Contract Sum" including extras.



**FINAL WAIVER OF LIEN**

STATE OF (1) \_\_\_\_\_ )  
 ) SS Project Name  
 COUNTY OF (1) \_\_\_\_\_ )

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has contracted with (2) \_\_\_\_\_  
 to furnish (3) \_\_\_\_\_ for the premises known as (4)

The undersigned, for and in consideration of (5) \_\_\_\_\_ Dollars and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of (6) \_\_\_\_\_, relating to liens of mechanics, laborers and materialmen with respect to and upon the foregoing described property, and the improvements thereon, and with respect to any statutory lien bond, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the Owner (or Contractor), on account of labor, services, material, fixtures, apparatus or machinery heretofore furnished, or which may be furnished at any time hereafter, by the undersigned for the foregoing described property.

\_\_\_\_\_ day of \_\_\_\_\_ Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_

**CONTRACTOR'S AFFIDAVIT**

STATE OF (1) \_\_\_\_\_ )  
 ) SS  
 COUNTY OF (1) \_\_\_\_\_ )

TO WHOM IT MAY CONCERN: The undersigned, being duly sworn, deposes and says that it has contracted with (2) \_\_\_\_\_, the Contractor (or Owner) for the premises known as (4) \_\_\_\_\_. That the total Contract Sum including extras is (7) \$ \_\_\_\_\_ on which it has received payment of (8) \$ \_\_\_\_\_ for payment applications (9) \_\_\_\_\_ to \_\_\_\_\_ prior to payment. That all waivers submitted are true, correct and genuine and delivered unconditionally, and that there is no claim either legal or equitable, to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or subcontracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES (include undersigned's portion of contract) Attach additional pages if necessary	TYPE OF WORK	CONTRACT SUM	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
<b>TOTAL (Undersigned MUST complete this line)</b>		(7)	(8)	(9)	(10)

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ Signature: \_\_\_\_\_  
 Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.



### FINAL WAIVER OF LIEN

- (1) Insert names of state and county where waiver is executed.
- (2) Insert name of party who hired you.
- (3) Describe what was furnished, e.g., carpentry, plumbing, etc.
- (4) Provide location of project by legal description and/or common address if known.
- (5) Insert amount of this payment.
- (6) Insert name of state where project is located.
- (7) Insert Contract Sum including extras.
- (8) Insert total amount of prior payments.
- (9) Insert prior payment application numbers which have been paid.
- (10) Insert zero.

**EXHIBIT D**  
**Closeout Requirements**

**Contract and Construction Document Deliverable Checklist**  
Checklist #1 - Pre-Construction, Construction, and Closeout

	Contract Reference	Owner	Target Delivery Date	Actual Delivery Date
<b>1. Pre-Construction</b>				
Design Schedule		Architect		
Construction Schedule with Cost and Resource Loading		General Contractor		
Contract Construction Drawings and Specifications		Architect		
Addenda (if applicable)		Architect		
Bid Tabulation and Analysis		NEF/PM		
Schedule of Values		General Contractor		
Cash Flow Analysis and Chart of Flow		General Contractor		
Final Construction Drawings and Specifications		Architect		
<b>Project Binder</b>				
Builder's Insurance Certificate with additional insureds		General Contractor		
Copies of Performance and Payment Bonds filed with the county		General Contractor		
Public Notices as required		General Contractor		
Building Permits, Licenses, and Government/Jurisdictional Approvals as required		General Contractor		
<b>2. Construction</b>				
<b>2.A Weekly/Weekly Design Meetings</b>				
REFER TO CHECKLIST #2.A				
<b>2.B Weekly Project Meetings</b>				
REFER TO CHECKLIST #2.B				
<b>2.C Monthly Reports and Payments</b>				
REFER TO CHECKLIST #2.C				
<b>2.C.1 Application for Payment (AA 0782 8703)</b>				
REFER TO CHECKLIST # 2.C.1				
<b>3. Project Closeout</b>				
Certificate of Conformance to all applicable zoning, planning, building, environmental and other regulations of each Governmental Authority		General Contractor		
Certificate of Substantial Completion		General Contractor		
Temporary Certificate of Occupancy (if required)		General Contractor		
Certificate of Occupancy		General Contractor		
Final Drawings and Specifications		Architect		
As-Built Documents		General Contractor		
Warranty Info		General Contractor		
Equipment Documentation		General Contractor		
Final Care Instructions		General Contractor		
Project Certificate of Performance		General Contractor		
Final Project Anticipated Cost Report (ACR) and Certification		NEF/PM		
Project Closeout Report - Final Project Status Report (PSR)		NEF/PM		
Final Warrants of Lien		General Contractor		
Contract Closeout Letters		General Contractor		
Completed Punch List REFER TO CHECKLIST #3.D		General Contractor		
Vacate Memo from prior Landlord (if applicable)		NEF/PM		
Certificate of Final Completion		General Contractor		
Vendor's Certificate(s) of Completion		General Contractor		
Final Certificate of Occupancy (or equivalent)		General Contractor		



Client  
 Project Name  
 Location  
 Project Governance Checklist  
 Update  
 Date



**Contract and Construction Document Deliverable Checklist**  
**Checklist #2.A - Design: Weekly/Biweekly Design Meetings**

	Contract Reference	Obligor	Target Delivery Date	Actual Delivery Date
<b>2. Design</b>				
<b>2.A Weekly/Biweekly Design Meetings</b>				
Updated Design Drawings and Specifications	_____	Architect	_____	_____
Updated Anticipated Cost Report (ACR)	_____	NKF PM	_____	_____
Updated Project Status Report (PSR)	_____	NKF PM	_____	_____

Client  
 Project Name  
 Location  
 Project Governance Checklist  
 Update  
 Date



**Contract and Construction Document Deliverable Checklist**  
**Checklist #2.B - Construction: Weekly Project Meetings**

	Contract Reference	Obligor	Target Delivery Date	Actual Delivery Date
<b>2. Construction</b>				
<b>2.B Weekly Project Meetings</b>				
Meeting Agenda		NKF PM		
Meeting Minutes		NKF PM		
Updated Anticipated Cost Report (ACR)		NKF PM		
Updated Project Status Report (PSR)		NKF PM		
Updated Virtual Premise (VP) project information		NKF PM		
<b>Contractor Provided Reports</b>				
Daily Superintendent Reports		General Contractor		
Updated Construction Schedule with Cost and Resource Loading		General Contractor		
Updated Submittal/Shop Drawing Log		General Contractor		
Updated Request for Information (RFI) Log		General Contractor		
Updated Drawing and Specifications Revisions/Bulletins Log		Architect		
Updated Change Order Log		General Contractor		
Design and Construction Issues		General Contractor		

Client  
 Project Name  
 Location  
 Project Governance Checklist  
 Update  
 Date

**Contract and Construction Document Deliverable Checklist**  
**Checklist #2.C - Construction: Monthly Reports and Payments**

	Contract Reference	Obligor	Target Delivery Date	Actual Delivery Date
<b>2. Construction</b>				
<b>2.C Monthly Reports and Payments</b>				
Project Progress Report		General Contractor		
Updated Cash Flow Analysis and Chart of Flow		General Contractor		
Track of Labor Costs (cost plus fee work)		General Contractor		
Track of Progress Payment		General Contractor		
Track of Completed Construction Materials and Equipment Costs		General Contractor		
Track of Materials and Equipment Costs In Inventory		General Contractor		
Track of Temporary Facilities and Related Items Costs		General Contractor		
Track of Miscellaneous Costs		General Contractor		
Track of Other Costs and Emergencies		General Contractor		
Copy of State Inspector Reports		General Contractor		
Safety Reports		General Contractor		
Site Photos		General Contractor		
Construction Inspector Report		General Contractor		
Certifications from Construction Inspector that construction is satisfactorily completed in accordance with the Plans and Specifications		General Contractor		
Disbursement Request Form approved by the Construction Inspector, Director and Construction Agent		General Contractor		
2.C.a Pay Application		General Contractor		

Client  
 Project Name  
 Location  
 Project Governance Checklist  
 Update 1  
 Date

**Contract and Construction Document Deliverable Checklist**  
 Checklist #2.C.app - Construction: Application for Payment

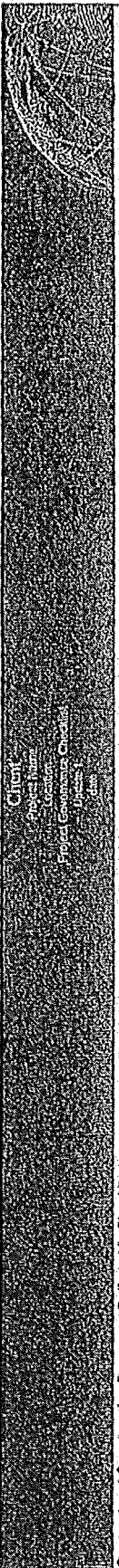
	Contract Reference	Obligor	Target Delivery Date	Actual Delivery Date
<b>I. First Application for Payment</b>				
Cash Flow Analysis		General Contractor		
Affidavit that all payrolls, bills for materials and equipment, and other indebtedness have been paid.		General Contractor		
Partial Release of waivers of liens from all subcontractors		General Contractor		
Partial Release of waivers of liens from materialmen		General Contractor		
Partial Release of waivers of liens from suppliers		General Contractor		
Partial Release of waivers of liens laborers		General Contractor		
Schedule of Values (AIA G702 and G703)		General Contractor		
Construction Inspector report noting that all bills, obligations, costs and expenses in connection with the Project have been paid or discharged		General Contractor		
Disbursement Request Form approved by the Construction Inspector, Director and Construction Agent		General Contractor		
<b>II. Monthly Applications for Payment (16 days prior to payment)</b>				
REFER TO CHECKLIST #2.C.app.monthly				
<b>III. Final Application for Payment</b>				
Completion of Checklist #3 (tab #1) - Project Closeout				
Affidavit that all payrolls, bills for materials and equipment, and other indebtedness have been paid		General Contractor		
Final Release of waivers of liens from all subcontractors		General Contractor		
Final Release of waivers of liens from materialmen		General Contractor		
Final Release of waivers of liens from suppliers		General Contractor		
Final Release of waivers of liens laborers		General Contractor		
Updated Schedule of Value (AIA G702 and G703)		General Contractor		
Final Construction Inspector Report		General Contractor		
Final Cost Certification		General Contractor		
All licenses and approvals required by any Governmental Authority		General Contractor		
Conformance to all applicable zoning, planning, building, environmental and other regulations of each Governmental Authority		General Contractor		
Disbursement Request Form approved by the Construction Inspector, Director and Construction Agent		General Contractor		

Client  
 Project Name  
 Location  
 Project Governance Checklist  
 Update 1  
 Date

**Contract and Construction Document Deliverable Checklist**  
**Checklist #2.C.app.monthly: Monthly Application for Payments**

	Contract Reference	Obligor	Target Delivery Date	Actual Delivery Date
<b>I. Monthly Applications for Payment (15 days prior to payment)</b>				
Monthly Cash Flow Analysis		General Contractor		
Affidavit that all payrolls, bills for materials and equipment, and other indebtedness have been paid.		General Contractor		
Release of waivers of liens from all subcontractors		General Contractor		
Release of waivers of liens from materialmen		General Contractor		
Release of waivers of liens from suppliers		General Contractor		
Release of waivers of liens laborers		General Contractor		
Updated Schedule of Value (AIA G702 and G703)		General Contractor		
Certifications from Construction Inspector that construction is satisfactorily completed in accordance with the Plans and Specifications		General Contractor		
Disbursement Request Form approved by the Construction Inspector, Director and Construction Agent		General Contractor		





Client:  
 State of Massachusetts  
 Department of Transportation  
 Project: Commonwealth Center  
 (Boston, MA)

Contract and Construction Document Deliverable Checklist  
 Checklist #3.D: Post Occupancy

Item Number	Description	Parent Check Code Reference (if any)	Target Completion Date	Actual Completion Date
3.1 Construction				
3.1.1 Partitions				
3.1.2 Ceiling				
3.1.3 Floor				
3.1.4 Electrical				
3.1.5 Lighting				
3.1.6 HVAC				
3.1.7 Plumbing				
3.1.8 Doors/Windows/Partners				
3.1.9 Fire Suppression				
3.1.10 Millwork				
3.1.11 Paints/Finish				
3.1.12 Specialty				
3.2 Furniture				
3.3 Audio Video				
3.4 Telecommunication Cabling				
3.5 Exterior Signage				
3.6 Interior Signage				
3.7 Branding				
3.8 Security				
3.10 Specialty Equipment				

**EXHIBIT E**  
Schedule of Values and General Conditions

## SUMMARY OF COSTS - LUMP SUM BID



**ICG**  
 INTERIOR  
 CONSTRUCTION  
 GROUP, INC.

210 S. CLARK STREET  
 SUITE 1300  
 CHICAGO, IL 60604

PHONE 312.553.4949  
 FAX 312.553.0649

**DeVry Klnect - Phase I (7th Floor)**  
 300 South Riverside Plaza  
 7th Floor  
 Chicago, IL 60606

January 19, 2012  
 Job / Proposal #: 11-4363  
 Estimated R.S.F.: 53,000

COST CODE	DESCRIPTION	COST
2-050	DEMOLITION	\$101,645
3-000	CONCRETE	\$12,400
4-400	MASONRY (ALLOWANCE)	\$7,200
5-100	STRUCTURAL STEEL	\$24,340
6-100	ROUGH CARPENTRY	\$12,000
6-400	MILLWORK	\$41,243
7-000	FIREPROOFING & ROOFING (ALLOWANCE)	\$10,500
8-190	FRAMES, DOORS & HARDWARE	\$47,229
8-800	GLASS & GLAZING	\$26,730
9-250	DRYWALL	\$171,539
9-300	CERAMIC	\$10,460
9-500	ACOUSTICAL CEILING	\$122,415
9-680	CARPETING & RESILIENT	\$119,600
9-800	FLOOR TREATMENT (ALLOWANCE)	\$9,300
9-900	PAINTING & WALLCOVERING	\$71,860
10-800	TOILET PARTITIONS & ACCESSORIES	\$8,000
11-130	AV EQUIPMENT	\$0
11-450	RESIDENTIAL EQUIPMENT	\$6,935
12-500	WINDOW TREATMENT	\$0
15-300	FIRE PROTECTION	\$55,380
15-400	PLUMBING	\$115,600
15-500	HVAC	\$1,450,000
16-100	ELECTRICAL	\$774,080
17-500	FINAL CLEANING (ALLOWANCE)	\$11,625
17-500	BUILDING PERMIT (ALLOWANCE)	\$21,800
17-500	CITY of CHICAGO TIF COORDINATION	\$45,000
	<b>SUBTOTAL</b>	<b>\$3,276,881</b>
1-000	GENERAL CONDITIONS	\$146,795
1-008	INSURANCE	\$30,824
1-008	BUILDER'S RISK INSURANCE	\$1,100
18-005	FEE	\$50,000
	<b>TOTAL</b>	<b>\$3,505,600</b>

The following cost adjustments have been made and are included in the above Lump Sum Bid Total:

1. ICG LS Bid discount (deduct amount of \$27,500.00)
2. DeVry accepted alternate for Lighting Control - Dual Switching (add amount of \$49,160.00)
3. Reception Desk by J Suss Industries no longer required per DeVry (deduct amount of \$19,003.00)
4. Reception Desk installation by millwork sub no longer required (deduct amount of \$1,857.00)





## GENERAL CONDITIONS AND FEE

(refers to question 12.c)

**DeVry**

300 South Riverside Plaza  
Chicago, Illinois

December 28, 2011

Interior Construction Group, Inc. feels that the appropriate method of developing the budget for General Conditions is to determine the length of the project, assign the required staff, and compute the direct costs. General Conditions cannot be accurately calculated as a percentage of the Cost of the Work. Establishing a relationship between General Conditions and the Cost of the Work provides for no incentive to reduce the project cost and may result in reducing the resources required to properly complete the project.

Based upon the duration of the project, the staff assigned, and the direct costs, ICG proposes the following for General Conditions and Fee:

<b>GENERAL CONDITIONS</b>	<b>\$146,795.00</b>
<b>FEE</b>	<b>\$50,000.00</b>

The enclosed General Conditions Summary and Project Personnel Allocation provide an outline of the cost. Insurance, which is directly related to the cost of the project, is charged at 0.9% of the Cost of the Work.

If the project construction duration is extended or reduced, and the personnel requirements remain the same, ICG will adjust the amount for General Conditions accordingly at a rate of \$8,500.00 per week.

For Change Orders, provided that the project duration is not revised and that additional staff is not required, the following fees will apply:

Deductions to Cost of the Work:	No Adjustment	
Additions to Cost of the Work:	General Conditions	4.00%
	Fee	1.75%



## GENERAL CONDITIONS SUMMARY

(refers to question 12.c)

### DeVry

300 South Riverside Plaza  
Chicago, Illinois

December 28, 2011

We propose a lump sum amount of \$146,795.00 for General Conditions as follows:

1.	Personnel – (See enclosed Project Personnel Allocation)	
	A. Project Executive	In Fee
	B. Senior Project Manager	In Fee
	C. Senior Field Superintendent	\$58,480.00
	D. Senior Project Accountant	In Fee
	E. Project Administrator	In Fee
	F. LEED Administrator	9,600.00
	G. Project Labor – (Responsible for removing construction debris to dumpster to insure safe working conditions.)	62,100.00
2.	Insurance	0.9% of the Cost of the Work
3.	Interior Cleaning – Final Cleaning prior to move-in	Cost of the Work
4.	Dumpsters (Excluding demo debris)	8,750.00
5.	Miscellaneous Tools	1,500.00
6.	Messenger Service & Postage	750.00
7.	Transportation	750.00
8.	Mobilization	Included
9.	Site Telephone / Fax / Data	1,875.00
10.	Safety and Protection Supplies	1,500.00
11.	Progress Photos	Included
12.	Project Signs	200.00
13.	Temp Fire Protection (Fire Extinguishers)	540.00
14.	Coordination with Owner's Testing	Included
15.	Schedules	Included
16.	Existing Field Survey – (Pre-Construction Punchlist)	Included
17.	Building Permit	Reimbursable at Cost
18.	Drawing and Specification Printing	750.00
19.	Security	Not Included
20.	Temp Utilities	By Owner
21.	Temp Sanitary Facilities	By Owner
22.	Temp Heat – Ventilation – AC	By Owner
23.	Hoist & Operator	By Owner
	<b>TOTAL</b>	<b>\$146,795.00</b>



**ICG**  
 INTERIOR  
 CONSTRUCTION  
 GROUP, INC.

## PROJECT PERSONNEL ALLOCATION

210 S. CLARK STREET  
 SUITE 1300  
 CHICAGO, IL 60604

PHONE 312.553.4949  
 FAX 312.553.0649

### DeVry Kinect - Phase I (7th Floor)

(refers to question 12.c)

Chicago, Illinois  
 Proposal #11-4363  
 December 16, 2011

POSITION	UNITS	PRECONSTRUCTION	CONSTRUCTION	CLOSE-OUT	TOTALS
Michael L. Lynk Project Executive	RATE/HR	In Fee	In Fee	In Fee	
	WEEKS	3	15	2	
	HRS/WK	16	8	8	
	% TIME	40.0%	20.0%	20.0%	
	COST	In Fee	In Fee	In Fee	In Fee
Pat Hayes Senior Project Manager	RATE/HR	\$80.00	\$80.00	\$80.00	
	WEEKS	3	15	2	
	HRS/WK	32	20	16	
	% TIME	80.0%	50.0%	40.0%	
	COST	In Fee	In Fee	In Fee	In Fee
Ross Davidson Senior Field Superintendent	RATE/HR	\$85.00	\$85.00	\$85.00	
	WEEKS	3	15	2	
	HRS/WK	16	40	20	
	% TIME	40.0%	100.0%	50.0%	
	COST	\$4,080.00	\$51,000.00	\$3,400.00	\$58,480.00
Lorissa Collins Senior Project Accountant	RATE/HR	In Fee	In Fee	In Fee	
	WEEKS	3	15	2	
	HRS/WK	0	8	16	
	% TIME	0.0%	20.0%	40.0%	
	COST	In Fee	In Fee	In Fee	In Fee
Project Administrator	RATE/HR	In Fee	In Fee	In Fee	
	WEEKS	3	15	2	
	HRS/WK	20	16	16	
	% TIME	50.0%	40.0%	40.0%	
	COST	In Fee	In Fee	In Fee	In Fee
LEED Administrator	RATE/HR	\$50.00	\$50.00	\$50.00	
	WEEKS	3	15	2	
	HRS/WK	8	8	24	
	% TIME	20.0%	20.0%	60.0%	
	COST	\$1,200.00	\$6,000.00	\$2,400.00	\$9,600.00
General Labor Regular Time	RATE/HR	\$75.00	\$75.00	\$75.00	
	WEEKS	3	15	2	
	HRS/WK	0	40	0	
	% TIME	0.0%	100.0%	0.0%	
	COST	\$0.00	\$45,000.00	\$0.00	\$45,000.00
General Labor Overtime	RATE/HR	\$95.00	\$95.00	\$95.00	
	WEEKS	3	15	2	
	HRS/WK	0	12	0	
	% TIME	0.0%	30.0%	0.0%	
	COST	\$0.00	\$17,100.00	\$0.00	\$17,100.00
<b>TOTALS</b>		<b>\$5,280.00</b>	<b>\$119,100.00</b>	<b>\$5,800.00</b>	<b>\$130,180.00</b>

**EXHIBIT F**

**Bid Questions and Clarifications – dated January 3, 2012**



Newmark  
Knight Frank

One East Wacker Drive  
Suite 3600  
Chicago, Illinois 60601

Mathew L Knopf  
T 847.830.3276  
mknopf@newmarkkf.com  
www.newmarkkf.com

## Exhibit F

### Bid Questions / Clarifications

Kin - Chicago  
300 S. Riverside Plaza  
Chicago, IL 60606

January 3, 2012

General Contractor:

ICG

Dated:

January 5, 2012

1. Confirm Addendum #1 included in base-bid
  - a. GC Response: Yes, confirmed.
2. Confirm all Sales Tax is Excluded from base-bid
  - a. GC Response: Yes, confirmed.
3. LEED – Confirm all costs, including documentation, for LEED items identified on the drawings and/or in the specifications are included in the base-bid
  - a. GC Response: Yes, confirmed.
4. Confirm all trades are Union (list any Non-union labor)
  - a. GC Response: Yes, confirmed.
5. General Conditions
  - a. Provide General Conditions Break-down as requested per RFP Section III.12.d
    - i. GC Response: Included with ICG's original bid response – copy attached.
  - b. Confirm Full-time Supervision provided
    - i. GC Response: Yes, a full time superintendent is included for the 15 week construction duration
  - c. What is Duration of General Conditions (in weeks)
    - i. GC Response: 15 weeks
  - d. Construction Layout - Confirm base-bid includes survey and layout
    - i. GC Response: Yes, confirmed.

- e. Confirm Contractor pricing excludes Building permits, fees, and bonds – except City of Chicago Contractor and Sub-contractor licensee fees, bond fees, etc...
- i. GC Response: Bid price included \$21,800 for City of Chicago Building Permit cost – it was included within the Division 17 – Miscellaneous line on the Exhibit V form.  
(Note: \$21,800 allowance to be added to each base-bid if not included already)
6. Contractor and Subcontractor Mark-up – Provide the corresponding percentage (%) as it relates to mark-up on change order work:
- |   |                |
|---|----------------|
| a. General Contractor Overhead & Profit (OH&P):               | <u>1.75 %</u>  |
| b. General Contractor Insurance:                              | <u>0.90 %</u>  |
| c. Subcontractor Markup:                                      | <u>10.00 %</u> |
| d. General Contractor Mark-up on Subcontractor Work:          | <u>3.25 %</u>  |
| e. General Contractor Markup on Work Performed by Own Forces: | <u>10.00 %</u> |
- (Note: Provide list of self-performed trades)
7. Insurance
- a. Review and provide Certificate of Insurance meeting the requirements of Section 17 from the AIA A107 - 2007 included in the RFP
- i. GC Response: Included with ICG's original bid response – copy attached.
- b. Builders Risk – Confirm Builders Risk Insurance is included provide (sample) documenting the same per Section 17 from the AIA A107 - 2007 included in the RFP
- i. GC Response: Yes, Builder's Risk Insurance coverage is included. Insurance coverage documentation would be prepared upon notice to proceed.
8. Contract – Per Section III.13 of the RFP each Contractor is being evaluated on their acceptance and/or modifications to the AIA Contract included in the RFP. Provide any and all modifications to the Agreement between Owner and Contractor (AIA A107 – 2007)
- a. GC Response: In review of the AIA A107 contract document, ICG would like to discuss the following modifications: 1. Liquidated damages clause in Article 2 – amounts are not indicated. 2. Strike items included in Article 3.2 – Contract Sum; "Contractor Contingency", "Sales Tax" & "required bonds" (these items are not included in the ICG bid response).
9. Confirm Contractor and Sub-Contractor price is guaranteed for the duration of the contract until turnover to Owner. Material and Labor cost escalation included / anticipated for duration of contract in base-bid.
- a. GC Response: Yes, confirmed.
10. Building Occupancy / After Hours Work – Per Site Tours and RFP Addendum #1 work on adjacent floors, and floors in which work is required, of which said floors are also occupied will require "after-hours" work. Contractor to provide Premium Time (OT) allowance broken down by each trade. Security will be provided by Owner via Building Management. Allowance to include separate costs for nightly temporary protection and clean-up of occupied spaces. Contractor to also include estimated cost for after-hours freight/dock use per below. GC Response to take into account the following Lease language:

Tenant and Tenant's Contractors shall take all reasonable precautionary steps to minimize dust, noise and construction traffic, and to protect their facilities and the facilities of others affected by the Tenant's Work and to properly police same. Tenant shall not permit noise from, or any other aspects of the construction of, Tenant's Work to unreasonably or materially disturb other tenants or operations in the Building. Tenant's Work which does so unreasonably or materially disturb other tenants or Building operations shall be performed after regular working hours. Construction equipment and materials are to be kept within the Premises and delivery and loading of equipment and materials shall be done at such locations and at such time as Landlord shall reasonably direct so as not to burden the construction or operation of the Building.

Use of freight elevators and loading docks are all subject to reasonable scheduling by Landlord. Landlord shall make reasonably sufficient vertical transportation (e.g., freight elevator usage) available to Tenant's contractors during the course of construction of the Tenant's Work at reasonable times and upon prior scheduling with Landlord. Tenant shall arrange and pay for removal of construction debris and shall not place debris in the Building's waste containers. There shall be no charge for use of freight

elevators during normal business hours of the Building in connection with performance of the Tenant's Work and Tenant's initial move into the Premises. Further, there shall be no charge for use of loading docks during normal business hours of the Building in connection with Tenant's Work and Tenant's initial move into the Premises (subject to the conditions for use of loading docks as described above). For any after-hours usage of freight elevators and/or loading docks in connection with the Tenant's Work and Tenant's initial move into the Premises, Tenant shall pay any actual out-of-pocket costs incurred by Landlord (if any) in connection with union operators or security personnel necessitated thereby. For informational purposes only, the following is certain current after-hours' freight/dock charges and other related information (all subject to change based on the actual out-of-pocket costs incurred by Landlord from time to time, as described above):

Rates for after hour freight/dock use:

After 6 pm or before 6 am M-F.

All day Saturday and Sunday

\$94.66/hr .....\$47.33/hr per person.

It takes 2 people (1 guard on the dock and 1 to operate the freight elevator).

Four hour minimum required.

Tenant shall permit Landlord and/or its representatives to have access to the Premises upon reasonable notice at reasonable times (except that no notice shall be required in the case of an emergency).

- a. GC Response: Bid response includes premium time costs for OT work in occupied tenant areas: 6<sup>th</sup> Floor ceiling work for new Plumbing & Electrical, 4<sup>th</sup> Floor ceiling for new electrical.

ICG anticipates needing 260 hrs for after hour freight/dock use (60 hours for work with occupied tenant spaces, 100 hrs for material deliveries and 100 hours for debris removal)

11. Div 2 – Demolition

- a. Confirm demolition includes the demo and removal of existing roof top equipment, piping, pumps, and concrete pads

i. GC Response: Yes, confirmed.

12. Div 3 – Concrete

- a. Confirm scope, quantity, and locations of any concrete housekeeping pads

i. GC Response: Concrete housekeeping pads included for:

– Air Handling Unit AHU-7.1 (1 each, located on the 7<sup>th</sup> Floor)

– Pumps P-5 and P-6 (2 each, located on the Roof Level)

– Electrical Switchboard Extensions (2 each located on the Roof Level)

– Electrical Transformers T1 and T2 (2 each located on the 7<sup>th</sup> Floor)

13. Div 4 – Masonry

- a. Confirm scope of work and any associated cost for removal and installation of CMU @ core walls for new Mechanical and Electrical piping

i. GC Response: Bid includes an allowance of \$7,200 for removal and replacement of CMU at building core walls for:

– CHWS/R riser insulation

– CHWS/R riser demolition (pipe from 7<sup>th</sup> Floor down to 5<sup>th</sup> Floor)

– Toilet Exhaust duct connection on the 7<sup>th</sup> Floor

– Core wall opening on Floors 4 and 7 for routing of new 2-1/2" conduit for new transformer panel feeds.

14. Div 6 – Wood & Plastics

a. Provide itemized bid for:

i. Rough Carpentry	\$12,000
ii. Finish Carpentry	\$43,100
iii. J Suss – Reception Desk	\$19,003

b. Confirm bid for Reception Desk is included from J Suss Architectural Woodwork and provide itemized break-out above

- i. GC Response: Yes, confirmed. Copy of the J Suss proposal dated 12-16-11 is attached.

15. Div 8 – Doors & Windows

a. Provide itemized bid for

i. HM Doors & Frames	\$26,244
ii. Finish Hardware	\$20,985
iii. Glass / Glazing	\$26,730

b. Confirm base-bid includes all new doors, frames, and hardware. Survey to be conducted on-site with selected GC and any cost savings identified at that time

- i. GC Response: Yes, confirmed.

c. Confirm scope for Door opening #765 (listed twice on door schedule?)

- i. GC Response: Bid includes door opening #765 as a double door opening as shown on the Partition Plan.

d. Confirm size for HM Frames – 1 ½" or 2" and cost difference (if any) between sizes per base-bid  
GC Response: Bid includes HM frames with a 1-1/2" frame face. No cost impact for 1-1/2" vs. 2" face.

e. Confirm scope for Doors #101A and #101B – (shown on door schedule, but not shown on plans?)  
GC Response: Bid includes frame, door & hardware for door opening 757A and 757B as scheduled on sheet AN-4.0 even though door openings are mislabeled on the Partition Plan.

16. Div 9 – Finishes

a. Provide itemized bid for

i. Gypsum Drywall	\$171,539
ii. Painting & Wall-covering	\$71,860
iii. Acoustical Ceilings	\$122,415
iv. Ceramic Tile, Resilient Floors, & Carpet	\$130,060
v. Miscellaneous (Floor Prep)	\$9,300

b. Provide scope and itemized cost for an included floor preparation

- i. GC Response: Bid includes an allowance of \$9,300 to prep the existing concrete floor for new carpet and resilient floor finishes.

c. Confirm and itemize costs, which have been included for Carpet Reclamation Program per notes on Sheet 07A-0.1 & 07A-0.2

- i. GC Response: Carpet Reclamation Program is included at no additional cost. Demo subcontractor will remove, package and deliver carpet to the building loading dock. Carpet subcontractor will pick up old carpet material and deliver to manufacturer's recycling plant.



17. Div 10 – Specialties

- a. Confirm scope of Restroom work including toilet room accessories (i.e – new partitions or paint, ceramic tile, paint, water-closets, lavatories, etc...)
- i. GC Response: Bid includes work within the 7<sup>th</sup> Floor base building washrooms as indicated on sheet A-6.1. Existing lavatories and counters to remain. Existing toilet partitions will be prepped and receive an electrostatic paint finish (in place). An allowance of \$1,920 is included to patch & repair damaged ceramic tile grout (per Keynote #4 on A-6.1).

18. Div 11 – Equipment

- a. Confirm scope of Residential equipment provided (i.e. – quantity and locations)
- i. GC Response: Bid Includes:
- Four (4) equipment item EQ-15 – microwave
  - Two (2) equipment item EQ-16 – refrigerator
  - One (1) equipment item EQ-19 – UC refrigerator
  - One (1) equipment item EQ-23 – refrigerator
  - Two (2) equipment item EQ-24 – dishwasher

19. Div 12 – Furnishings

- a. Confirm scope of work include in base bid for existing window blinds (i.e. – removal, bag in place, cleaning, etc...)
- i. GC Response: Bid includes protection of existing perimeter window blinds (in place) and cleaning during end of project Final Clean.
- b. Confirm scope (if any) for file cabinets
- i. GC Response: Bid does not include any file cabinet scope.

20. Div 15/16 - General

- a. Provide itemized bid for
- |                     |                  |
|---------------------|------------------|
| i. Plumbing         | <u>\$115,600</u> |
| ii. Fire Protection | <u>\$55,380</u>  |
- b. Provide allowance for X-ray or radar of the existing concrete substrate for embedded conduit, wiring, and/or piping prior to floor cores
- i. GC Response: Bid includes sonar "scanning" of concrete floor area prior to coring for plumbing and electrical floor penetrations.

21. Div 15 - Mechanical

- a. Confirm preliminary lead-times for mechanical equipment and list any schedule implications
- i. GC Response: Original bid response included ICG's preliminary construction schedule which included fabrication lead times for the HVAC equipment – copy attached. \*\*Order placement for all HVAC equipment is critical – approved equipment orders should be placed by Friday, 1-13-11 in order to meet the project schedule.
- b. Confirm method of hoisting new mechanical equipment into place and confirm / provide cost implications not included in base-bid.
- i. GC Response: Bid includes a Saturday helicopter delivery of rooftop HVAC equipment.

22. Div 16 - Electrical

- a. Confirm Fire Alarm modifications and coordination with base-building is included in base-bid. Provide itemized cost. **\$11,000 - break out cost**

i. GC Response: Bid includes \$11,000 cost for coordination with base building fire alarm subcontractor - Simplex Grinnell. Scope includes engineered drawings, city submittals, final tie ins and testing. Testing will take 4 hrs.

- b. Per notes on EG20 and EG21 provide Allowance "to provide temporary power to active tenants" while making adjustments to electrical switchboards extensions (NKF assumes it would be "after-hours" work to avoid tenant power outages during regular business hours)

i. GC Response: Bid includes temporary power required to support active tenants in order to accommodate the new electrical switchboard extensions for Penthouse switchboards PS-2 & PS-4. We anticipate the extension work on each switchboard to take 4 - 8 hours.

- c. Confirm cost to include Audio Visual devices AV2 and AV17 is included in base-bid

i. GC Response: Bid includes F&I of two (2) three (3) of the AV-2 devices and nine (9) of the AV-17 devices

(End of bid questions and clarifications)



## Exhibit I – Minimum Expected Insurance Coverage

TYPE OF COVERAGE	Sapient's Minimum Coverage Requirements	Company's Limits of Coverage
<b>1 - COMPREHENSIVE GENERAL LIABILITY</b>		
General Aggregate	Per Contract	\$2,000,000
Products and Complete Operations Aggregate	Per Contract	\$2,000,000
<i>Note: Coverage will include contractual liability coverage that comply with contractor's hold harmless and indemnity obligations as contained in any contract with Sapient. This should include bodily injury, property damage, broad form property damage, personal injury, products, and complete operations for a combined bodily injury and property damage limit as stated above.</i>		
<b>2 - PROFESSIONAL LIABILITY (if applicable)</b>		
Per Occurrence	Per Contract	\$2,000,000
General Aggregate	Per Contract	\$2,000,000
<i>Note: Coverage will include professional liability coverage with a limit of liability as stated above.</i>		
<b>3 - AUTOMOBILE LIABILITY</b>		
Combined Bodily Injury and Property Damage	Per Contract	\$1,000,000
<i>Note: Coverage will be extended to owned, hired, and non-owned vehicles for the limit as stated above.</i>		
<b>4 - WORKERS' COMPENSATION and EMPLOYER'S LIABILITY</b>		
Worker's Compensation	Coverage according to Illinois Compensation statutes. Policy must be endorsed to provide a Waiver of Subrogation in favor of Sapient, its Subsidiaries and/or affiliates.	
<b>Employer's Liability (Illinois)</b>		
Each Accident – Policy Limit	Per Contract	N/A
Disease - Policy Limit	Per Contract	N/A
Disease - Each Employee	Per Contract	N/A
<b>5 - COMMERCIAL UMBRELLA LIABILITY</b>		
Combined Bodily Injury and Property Damage per occurrence.	Per Contract	\$10,000,000
General Aggregate	Per Contract	\$10,000,000
<b>6 - FIDELITY/EMPLOYEE DISHONESTY</b>		
<i>Note: Coverage will be provided for the benefit of Sapient for any employee dishonesty, computer crime, or fidelity exposures performed with a limit of liability acceptable to Sapient.</i>	TBD	\$10,000 (\$25,000 money & securities)



Company Profile Question 2b

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/22/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Assurance Agency, Ltd. One Century Centre 1750 E. Golf Road Schaumburg IL 60173-	<b>CONTACT NAME:</b> PHONE (A/C No. Ex): (847) 797-5700      FAX (A/C No): 847-440-9130 E-MAIL: ADDRESS:	
	<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Amerisure Insurance Company	<b>NAIC #</b> 15350
<b>INSURED</b> Interior Construction Group, Inc. 210 S. Clark Street Chicago IL 60604-	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER: 1560147455**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATION MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ITR	TYPE OF INSURANCE	ADDL INSR	INSUR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			CPP2065810	12/1/2011	12/1/2012	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPOP AGG \$2,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			CA2065808	12/1/2011	12/1/2012	COMBINED SINGLE LIMIT (Per accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED      RETENTION S			CU2065811	12/1/2011	12/1/2012	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC2065812	12/1/2011	12/1/2012	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS      OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Leased & Rented Equipment			CPP2065810	12/1/2011	12/1/2012	Limit: \$100,000 Deductible: \$1,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 It is agreed that the following are added as Additional Insureds, when required by written contract, on the General Liability on a primary and non-contributory basis with respect to operations performed by the Named Insured in connection with this project:  
 1. Owner  
 2. Owner's Representative  
 3. Architects, their consultants, agents and employees

<b>CERTIFICATE HOLDER</b> Sample	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: <i>Daniel G. Garza</i>
-------------------------------------	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONTRACTOR'S BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies Insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

All of the terms, provisions, exclusions, and limitations of the coverage form apply except as specifically stated below.

**SECTION II - WHO IS AN INSURED** is amended to include as an insured any person or organization, called an additional insured in this endorsement:

1. Whom you are required to add as an additional insured on this policy under a written contract or agreement relating to your business; or
2. Who is named as an additional insured under this policy on a certificate of insurance.

However, the written contract, agreement or certificate of insurance must require additional insured status for a time period during the term of this policy and be executed prior to the "bodily injury", "property damage", "personal injury", or "advertising injury" giving rise to a claim under this policy.

If, however, "your work" was commenced under a letter of intent or work order, subject to a subsequent reduction to writing within 30 days from such commencement and with customers whose customary contracts require they be named as additional insureds, we will provide additional insured status as specified in this endorsement.

3. If the additional insured is:
  - (a) An individual, their spouse is also an additional insured.
  - (b) A partnership or joint venture, members, partners, and their spouses are also additional insureds.
  - (c) A limited liability company, members and managers are also additional insureds.
  - (d) An organization other than a partnership, joint venture or limited liability company, executive officers and directors of the organization are also additional insureds. Stockholders are also additional insureds, but only with respect to their liability as stockholders.
  - (e) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

The insurance provided to the additional insured is limited as follows:

1. That person or organization is only an additional insured with respect to liability arising out of:
  - (a) Premises you own, rent, lease, or occupy, or
  - (b) Your ongoing operations performed for that additional insured, unless the written contract or agreement or the certificate of insurance requires "your work" coverage (or wording to the same effect) in which case the coverage provided shall extend to "your work" for that additional insured.

Premises, as respects this provision, shall include common or public areas about such premises if so required in the written contract or agreement.

Ongoing operations, as respects this provision, does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work including materials, parts or equipment furnished in connection with such work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed, or

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- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
2. The limits of insurance applicable to the additional insured are the least of those specified in the written contract or agreement, or in the certificate of insurance or in the Declarations for this policy. If you also carry an Umbrella policy, and the written contract or agreement or certificate of insurance requires that the additional insured status also apply to such Umbrella policy, the limits of insurance applicable to the additional insured under this policy shall be those specified in the Declarations of this policy. The limits of insurance applicable to the additional insured are inclusive of and not in addition to the limits of insurance shown in the Declarations.
3. The additional insured status provided by this endorsement does not extend beyond the expiration or termination of a premises lease or rental agreement nor beyond the term of this policy.
4. Any person or organization who is an insured under the terms of this endorsement and who is also an insured under the terms of the GENERAL LIABILITY EXTENSION ENDORSEMENT, if attached to this policy, shall have the benefit of the terms of this endorsement if the terms of this endorsement are broader.
5. If a written contract or agreement or a certificate of insurance as outlined above requires that additional insured status be provided by the use of CG 20 10 11 85, then the terms of that endorsement, which are shown below, are incorporated into this endorsement as respects such additional insured, to the extent that such terms do not restrict coverage otherwise provided by this endorsement:

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS (FORM B)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART.**

**SCHEDULE**

Name of Person or Organization: Blanket Where Required by Written Contract, Agreement, or Certificate of Insurance that the terms of CG 20 10 11 85 apply

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

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**CG 20 10 11 85**

The insurance provided to the additional insured does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including but not limited to:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, design specifications; and
2. Supervisory, inspection, or engineering services.

Any coverage provided in this endorsement is excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent, or on any other basis unless the written contract, agreement, or certificate of insurance requires that this insurance be primary, in which case this insurance will be primary without contribution from such other insurance available to the additional insured.

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- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
2. The limits of insurance applicable to the additional insured are the least of those specified in the written contract or agreement, or in the certificate of insurance or in the Declarations for this policy. If you also carry an Umbrella policy, and the written contract or agreement or certificate of insurance requires that the additional insured status also apply to such Umbrella policy, the limits of insurance applicable to the additional insured under this policy shall be those specified in the Declarations of this policy. The limits of insurance applicable to the additional insured are inclusive of and not in addition to the limits of insurance shown in the Declarations.
3. The additional insured status provided by this endorsement does not extend beyond the expiration or termination of a premises lease or rental agreement nor beyond the term of this policy.
4. Any person or organization who is an insured under the terms of this endorsement and who is also an insured under the terms of the GENERAL LIABILITY EXTENSION ENDORSEMENT, if attached to this policy, shall have the benefit of the terms of this endorsement if the terms of this endorsement are broader.
5. If a written contract or agreement or a certificate of insurance as outlined above requires that additional insured status be provided by the use of CG 20 10 11 85, then the terms of that endorsement, which are shown below, are incorporated into this endorsement as respects such additional insured, to the extent that such terms do not restrict coverage otherwise provided by this endorsement:

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS (FORM B)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART.**

**SCHEDULE**

Name of Person or Organization: Blanket Where Required by Written Contract, Agreement, or Certificate of Insurance that the terms of CG 20 10 11 85 apply

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

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**CG 20 10 11 85**

The insurance provided to the additional insured does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including but not limited to:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, design specifications; and
2. Supervisory, inspection, or engineering services.

Any coverage provided in this endorsement is excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent, or on any other basis unless the written contract, agreement, or certificate of insurance requires that this insurance be primary, in which case this insurance will be primary without contribution from such other insurance available to the additional insured.

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December 16, 2011  
 Bid 3783B (Millwork)



Proud to be a Hyatt, Hilton, Marriott, Best Western & IHG Supplier

Mr. Pat Hayes  
 c/o ICG - Interior Construction Group, Inc.  
 210 S. Clark, Suite 1300  
 Chicago, IL 60604

**Re: DeVry University DeVry Chicago Campus - New Building, Chicago IL**

Dear Mr. Hayes:  
 We are pleased to submit our revised quotation for the above-mentioned project.

Please Note That This Is Quoted with Consideration for Formaldehyde-Free Millwork Substrates.  
 Based on drawings dated 2011-Nov-23/issue set Bid & Review.  
 Finish materials to be Plastic Laminate & Solid Surface.

**RECEPTION MILLWORK DESK**

Item	Rooms	Page	Finish	D [in]	H [in]	Notes
<b>RECEPTION DESK - L-SHAPED, 8' X 8'</b>						
Reception Desk - Complete Millwork Internal Structure w / Stainless Steel Facing			Plywood, S/S, Acrylic, Solid Surface			
Plastic Laminate Front Panels w/ 1- 1/2" Stand-Offs (6 Total), Including 1- 1/2" S/S Standoffs			P-Lam - Savoy 1/2 Cherry		38	Savoy Cherry Color
Laminate Countertop & Supports			P-Lam			
Doug Mockett Wire Management Grommets, 2-1/2" (4 Total)			EDP6-26 - Chrome Finish			
Solid Surface Transaction Top, 14" Deep			"Milk Glass"			
Solid Surface Vertical Corner			"Black Lava"			
P-Lam Cabinet w/ Door & Lock Below Desktop			P-Lam - Savoy Cherry			
Drawer Banks w/ Filing Drawer & Locks (2 Total)			P-Lam - Savoy Cherry			
Stainless Steel Baseboard			Stainless Steel, 22g	3/4	4	Reception Cove Only
Corian-Clad Printer Cube w / Metal Garage Door & Lock, Pull-Out Tray			"Black Lava"			
Doug Mockett Power Outlet ( Total)			Black - PCS49B			
Doug Mockett Data / Power Outlets (3 Total)			Black - PCS49A-95			
Hafele Custom Aluminum Roller Shutter @ Cube			Aluminum			

	SUPPLY USD	\$18,221.00
	TRANSPORT / 1 TRUCK(S) USD	\$782.00
<b>GRAND TOTAL USD BASED ON ASSUMED CONDITIONS ATTACHED TO THIS BID</b>		<b>\$19,003.00</b>

Prices not included

Danielle Lewis / Tel: 514.769.5666 x261



December 16, 2011  
Bid 3793B (Millwork)



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**Not Included (Standard NIC List)**

- Any millwork and cabinetry not specifically mentioned above.
- Granite, marble, tile, and cultured marble.

**Not Included (Specific To This Bid)**

- Any Humanscale Items (By GC)
- Any Unique Shipping or Unloading Provisions (Quoted as LTL Drop Delivery From Standard 53' Trailer)
- Any wiring, data or electrical (By GC)
- Applicable Taxes and/or State (Use) Taxes.
- Computer Equipment
- Installation, Unloading or Distribution

Company \_\_\_\_\_

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Authorized Signature \_\_\_\_\_

**PROJECT MANAGER:**

NEWMARK KNIGHT FRANK  
ONE EAST WACKER, SUITE 3500  
CHICAGO, ILLINOIS 60601

**PROJECT:**

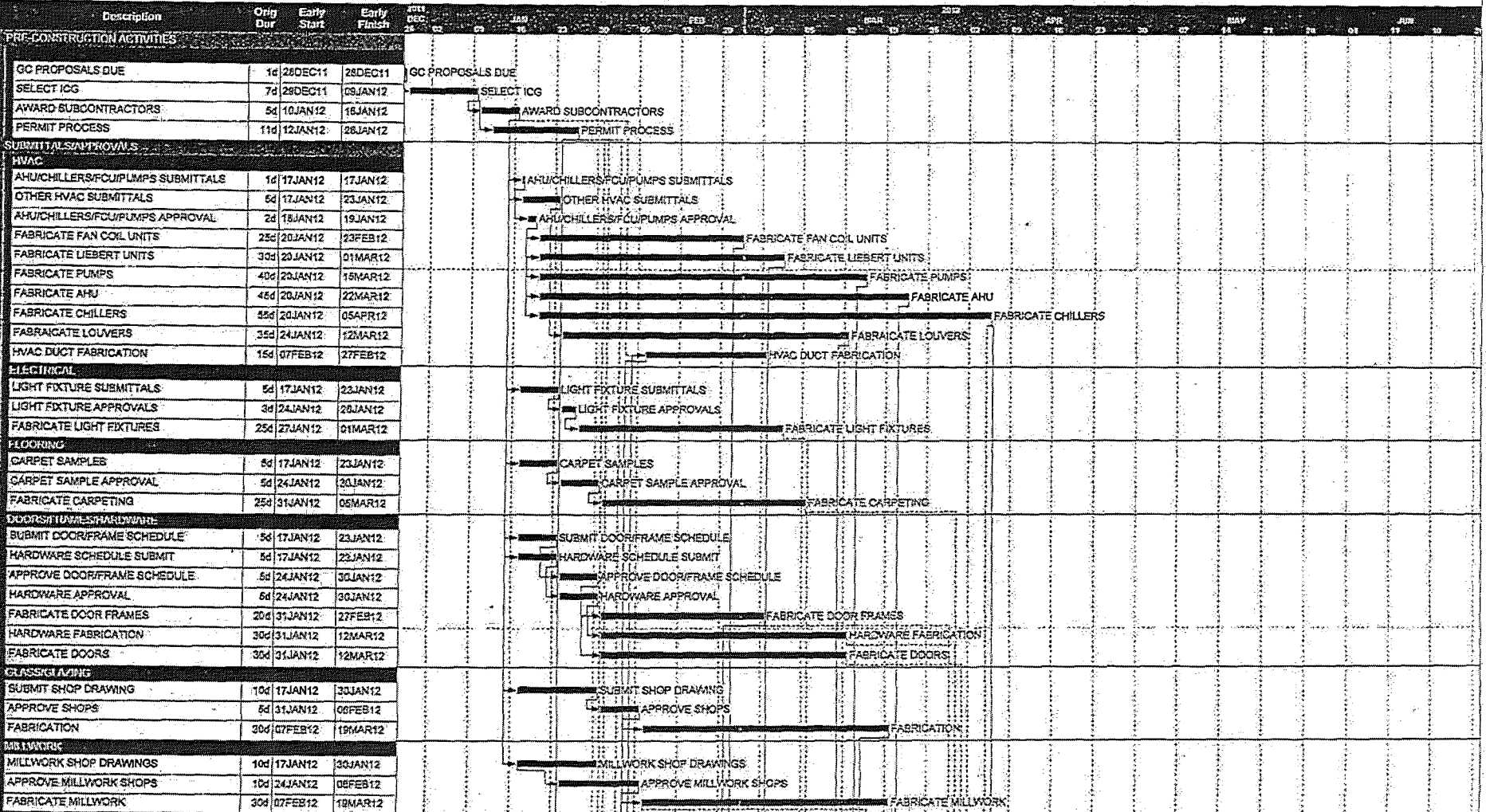
DEVRY INC: KINECT  
300 S. RIVERSIDE PLAZA  
CHICAGO, ILLINOIS

**GENERAL CONTRACTOR:**

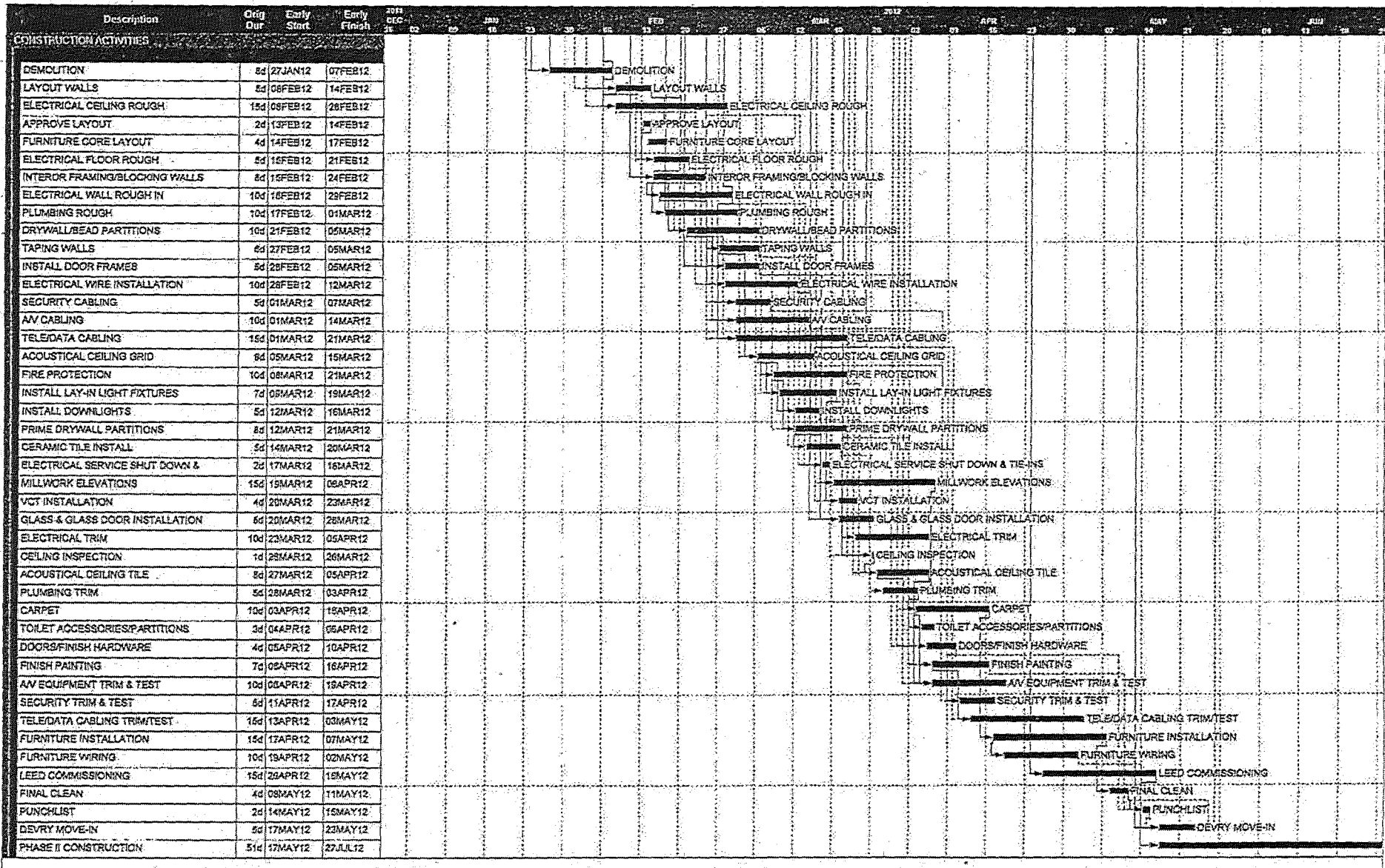
INTERIOR CONSTRUCTION GROUP  
210 S CLARK, SUITE 1300  
CHICAGO, ILLINOIS 60604

**PRELIMINARY CONSTRUCTION**

DECEMBER 28, 2011







**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT H**

**APPROVED PRIOR EXPENDITURES**

None.

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT I**

**PERMITTED LIENS**

1. Liens or encumbrances against the Property (and related improvements):

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 Developer or the Project, other than liens against the Property (and related improvements), if any:

NONE

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT J**

**FORM OF OPINION OF DEVELOPER'S COUNSEL**

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

\_\_\_\_\_, 2013

City of Chicago  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to DeVry Inc., a Delaware corporation (the "Developer"), in connection with the construction of certain improvements on the property located at 227 W. Monroe Street located in the LaSalle Central 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) DeVry Inc. Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) 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 each of Developer's

(i) Certificate of Incorporation, as amended to date, (ii) By-Laws, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; and

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

In all such examinations, we have assumed the genuineness of all signatures (other than those of 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. Developer is a corporation company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization 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. 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, Developer's Certificate of Incorporation or By-Laws 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 Developer is a party or by which 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 Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.

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 Developer.



4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of 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 the equity of Developer and the number of equity interests held by each 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 equity of Developer. Each outstanding equity interest of Developer is duly authorized, validly issued, fully paid and non-assessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by 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, 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 Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which 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 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 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, 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 or the laws of the State of Illinois.

This opinion is issued at 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:

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT K**

**RESERVED**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT L**

**FORM OF PAYMENT AND PERFORMANCE BOND**

A form of payment and performance bond is attached to this exhibit cover sheet.

# CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of \_\_\_\_\_ lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 199\_\_

The Condition of the Above Obligation is such, That whereas the above

within Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing date the

of \_\_\_\_\_ A.D. 19\_\_ for \_\_\_\_\_

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and there shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs, and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all sums and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all sums and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any  
it based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a  
sequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries  
, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work  
formed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or  
yone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or  
gement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the  
adecy or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this  
litation, as to amount, liability and all other things pertaining thereto.

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor,  
otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person  
plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless  
ecution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this  
ad contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any  
ater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended;  
vided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of  
ion unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the  
item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor  
hin 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of  
claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no  
ze of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences  
each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the  
nant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public  
ovement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice  
zin provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively  
ear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be  
ught until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of  
erial, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the  
ration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that  
action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work.  
suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have  
a performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms  
ny of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the  
gaons on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said  
ract Documents or to the work.

\_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
Purchasing Agent  
\_\_\_\_\_ (Seal)  
Approved as to form and legality: \_\_\_\_\_ (Seal)  
\_\_\_\_\_ (Seal)  
Assistant Corporation Counsel

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT M**

**RESERVED**

**LASALLE CENTRAL  
REDEVELOPMENT PROJECT AREA**

**DEVRY INC.  
ON-LINE OPERATIONS FACILITY PROJECT**

Redevelopment Agreement  
dated as of June 19, 2013

**EXHIBIT N**

**CITY FUNDS REQUISITION FORM**

A form of the City Funds Requisition Form is attached to this exhibit cover sheet.





DEVRY INC. a Delaware  
corporation

DEVRY INC.

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

Printed  
Name:

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_.

My commission expires: \_\_\_\_\_

(Seal)

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental fund balance sheet	6
Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only LaSalle Central Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 30, 2014

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the LaSalle Central Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2013. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$30,805,965 for the year. This was an increase of 3,004 percent over the prior year. The change in net position produced an increase in net position of \$21,775,582. The Project's net position increased by 106 percent from the prior year making available \$42,403,429 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues increased this year due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections.



CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 43,244,542	\$ 21,450,406	\$ 21,794,136	102%
Total liabilities	841,113	822,559	18,554	2%
Total net position	<u>\$ 42,403,429</u>	<u>\$ 20,627,847</u>	<u>\$ 21,775,582</u>	106%
Total revenues	\$ 30,854,528	\$ 1,068,057	\$ 29,786,471	2,789%
Total expenses	9,078,946	13,073,327	(3,994,381)	-31%
Other financing uses	-	797,192	(797,192)	-100%
Changes in net position	<u>21,775,582</u>	<u>(12,802,462)</u>	<u>34,578,044</u>	270%
Ending net position	<u>\$ 42,403,429</u>	<u>\$ 20,627,847</u>	<u>\$ 21,775,582</u>	106%

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2013

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 30,462,044	\$ -	\$ 30,462,044
Property taxes receivable	12,734,000	-	12,734,000
Accrued interest receivable	48,498	-	48,498
Total assets	<u>\$ 43,244,542</u>	<u>\$ -</u>	<u>\$ 43,244,542</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 423,097	\$ -	\$ 423,097
Due to other City funds	382,228	-	382,228
Other accrued liability	35,788	-	35,788
Total liabilities	<u>841,113</u>	<u>-</u>	<u>841,113</u>
Deferred inflows	<u>11,230,343</u>	<u>(11,230,343)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>31,173,086</u>	<u>(31,173,086)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 43,244,542</u>		
Net position:			
Restricted for future redevelopment project costs		<u>42,403,429</u>	<u>42,403,429</u>
Total net position		<u>\$ 42,403,429</u>	<u>\$ 42,403,429</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental fund	\$ 31,173,086
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>11,230,343</u>
Total net position - governmental activities	<u>\$ 42,403,429</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 21,420,164	\$ 9,385,801	\$ 30,805,965
Interest	48,563	-	48,563
Total revenues	21,468,727	9,385,801	30,854,528
Expenditures/expenses:			
Economic development projects	9,078,946	-	9,078,946
Excess of revenues over expenditures	12,389,781	(12,389,781)	-
Change in net position	-	21,775,582	21,775,582
Fund balance/net position:			
Beginning of year	18,783,305	1,844,542	20,627,847
End of year	<u>\$ 31,173,086</u>	<u>\$ 11,230,343</u>	<u>\$ 42,403,429</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 12,389,781
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>9,385,801</u>
Change in net position - governmental activities	<u>\$ 21,775,582</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In November 2006, the City of Chicago (City) established the LaSalle Central Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

*Cash and Investments*

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
LASALLE CENTRAL REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 391,793
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	5,500,379
Costs of the construction of public works or improvements	2,436,774
Costs of job training and retraining projects	<u>750,000</u>
	<u>\$ 9,078,946</u>





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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of LaSalle Central Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2013, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 30, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the LaSalle Central Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 30, 2013