

## Contract Summary Sheet

**Contract (PO) Number:** 5200

**Specification Number:** 22550

**Name of Contractor:** AMERICAN STORES PROPERTIES

**City Department:** PLANNING & DEVELOPMENT

**Title of Contract:** Redevelopment Agreement: Jewel/Osco in the Near South TIF District

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

\$5,600,000.00

**PO Start Date:** 7/19/00

**PO End Date:** 11/28/13

**Brief Description of Work:** Redevelopment Agreement: Jewel/Osco in the Near South TIF District

**Procurement Services Contact Person:** BARBARA SUTTON

**Vendor Number:** 1071251

**Submission Date:**

**MAR 2 5 2004**

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NEAR SOUTH REDEVELOPMENT AGREEMENT

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[Signature]

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Cook County Recorder 181.00

\* DOCUMENT TO BE RE-RECORDED. RECORDER'S OFFICE MADE ERROR IN DOC. #

BY AND BETWEEN

THE CITY OF CHICAGO

AND

AMERICAN STORES PROPERTIES, INC.

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

**BOX 333-CTI**

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LIST OF EXHIBITS

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Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	[omitted]
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Exhibit H1	Project Budget
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Exhibit O	Job Readiness Program
Exhibit P	City Deeds
Exhibit Q	Payment and Performance Bond

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

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

## NEAR SOUTH REDEVELOPMENT AGREEMENT

This Near South Redevelopment Agreement (this "Agreement") is made as of this 19<sup>th</sup>  
day of July, 2000, by and between the City of Chicago, an Illinois municipal corporation  
(the "City"), through its Department of Planning and Development ("DPD"), and American  
Stores Properties, Inc , a Delaware corporation (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 and conservation area conditions 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") originally adopted various ordinances on November 28, 1990 creating the Central Station Area Tax Increment Redevelopment Project Area (the "Original Redevelopment Project Area") and adopting tax increment allocation financing for said Area, which were amended, expanded and renamed in the following ordinances adopted on August 3, 1994: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Near South Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Near South 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 Near South Redevelopment Project Area" (the "TIF Adoption Ordinance"), (all of the above collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above, as amended (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer has purchased certain property located within the Redevelopment Area at Roosevelt Road, South State Street and South Wabash Avenue, Chicago, Illinois and legally described on Exhibit B1 hereto ("Developer Parcels"). The Developer Parcels also includes that certain public right of way that the City intends (subject to the approval of the affected utilities) to vacate in favor of the Developer. The Developer also intends to purchase and the City intends to convey on the Closing Date (the "Acquisition") certain City-owned property located within the Redevelopment Area at 1201-27 South State Street and 1200-20 South Wabash Avenue, Chicago, Illinois and legally described on Exhibit B2 hereto ("City Parcels") (the Developer Parcels and the City Parcels collectively referred to herein as the "Purchased Properties"). The Developer also intends to lease or obtain licenses or easements to cross over and improve a certain property owned by the Chicago Transit Authority ("CTA") ("Licensed Property"). The Purchased Properties and the Licensed Property are collectively referred to herein as the "Property". Within the time frames set forth in Section 3 01 hereof, the Developer shall commence and complete the construction of an approximately 40,000 square foot Jewel grocery store and Osco drugstore, an approximately 15,000 square foot storage mezzanine, a parking lot containing space for approximately 137 customer vehicles, construction or leasing of 21 nearby employee parking spaces using the best efforts required by the Business Planned Development referenced in Section 3 02 herein, and two retail space outlots containing approximately 1,200 and 1,500 square feet, respectively (all of the foregoing collectively referred to herein as the "Facility"), a buffer of the adjacent CTA Green and Orange Lines station exit, and extensive landscaping thereon. The construction and completion of the Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of

the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Near South Tax Increment Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit D, as amended from time to time.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) a portion of the proceeds ("TIF Bond Proceeds") of its Tax Increment Allocation Bonds (Near South Redevelopment Project) Series 1999A (the "TIF Bonds") issued pursuant to an ordinance adopted by the City Council on November 18, 1998 (the "Bond Ordinance"), (ii) Incremental Taxes (as defined below), subject to the limitations described in Section 4.03(c) herein, and/or (iii) proceeds of sales of properties located within the Redevelopment Area held by the City or such other sources as the City may determine ("Other City Financing Sources"), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

**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:

"1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer, including Albertson's, Inc., a Delaware corporation.

"Aggregate Construction and Acquisition Costs" shall mean those construction and acquisition costs marked as Aggregate Construction and Acquisition Costs on the Project Budget attached hereto as Exhibit H1.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes deposited in the 1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund attributable to the taxes levied on the Purchased Properties and the Licensed Property after the Closing Date, less the amount of the City Fee described in Section 4.05(b) hereof.

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

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

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

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

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

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

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

"Deemed Pro Rata Share" shall mean 13.27%, which is calculated by dividing the amount the City is providing for Eligible Construction Costs (\$2,000,000) by the Aggregate Construction and Acquisition Costs (\$15,072,090).

"Eligible Construction Costs" means the costs of construction of the Project that constitute TIF-Funded Improvements, but specifically excluding associated acquisition costs

"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, including funds from its parent company, Albertson's, Inc., that are available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

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

"Financial Statements" shall mean complete audited financial statements of Albertson's, Inc. (which contains the financial information of the Developer on a consolidated basis), prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

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

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

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

"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 1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

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

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

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or

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encumbrances relating to the Developer, the Property or the Project.

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

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

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit G hereto, plus any utility easements established during the construction of the Facility.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, including specifications regarding landscaping and permanent and construction-period signage.

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

"Private Acquisition Costs" means the costs incurred by the Developer in acquiring the Developer Parcels.

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

"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 DPD pursuant to Section 4.04 of this Agreement.

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City)

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on November 28, 2013.

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

"Title Company" shall mean Chicago Title Insurance Company.

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

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

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

### SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Scope Drawings and Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence any physical work on the Property, including, but not limited to, demolition, environmental remediation or construction of the Facility, not later than April 1, 2000; and (ii) complete construction and, except for the outlots, commence conducting business operations not later than January 21, 2002.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. Developer hereby warrants that the Scope Drawings and Plans and Specifications conform to the Business Planned Development for the Property as approved by the Chicago Plan Commission on September 21, 1999. Subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to but only to the extent required by Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall conform to the Redevelopment Plan that is in effect as of the date hereof and to all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount estimated to be not less than

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Twenty Million Three Hundred Fifty Five Thousand and Ninety Dollars (\$20,355,090). The Developer hereby certifies to the City that (a) the \$2,000,000 of the City Funds designated for Eligible Construction Costs, together with Equity described in Section 4.02 hereof, shall be sufficient to complete the Project, and (b) the Project Budget as estimated is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Facility; (b) a change in the basic use of the Property to a use other than a grocery store and drugstore with retail outlets; (c) a delay in the completion of the Project (as specified in Section 3.01); or (d) Change Orders costing greater than Fifty Thousand Dollars (\$50,000.00) each or Five Hundred Thousand (\$500,000) in the aggregate. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section), except that Change Orders pertaining to (d) above shall be deemed approved if DPD has not responded at all to Developer for 10 business days or more after submission to DPD. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised

completion date, if necessary (with any change in completion date, unless due to an event referenced in Section 18.17, being considered a Change Order requiring DPD's written approval pursuant to Section 3.04). From time to time and upon the request of the City, the progress reports shall include any one or a combination of: 1) sub-contractor's activity reports; 2) General Contractor's certifications regarding labor standards and prevailing wage requirements; 3) General Contractor or sub-contractor's letters of understanding; 4) utilization reports; 5) authorizations from payroll agent; 6) certified payrolls; 7) evidence that MBEs and WBEs and their respective associations have been informed of the Project in writing and through in-person meetings; and 8) evidence of compliance with this Agreement's employment opportunity, job creation, job retention, MBE, WBE and city residency requirements. The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD (but not more than two times during the Project), reflecting improvements made to the Property.

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

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

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

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

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

3.13 Conveyance of City Parcels



(a) Sale of City Parcels. On the Closing Date, the City shall sell “as is” and the Developer shall purchase “as is” the City Parcels for the agreed purchase price of \$1,646,090. The Developer may possess the City Parcels at the time of conveyance.

(b) Form of Deed. On the Closing Date, the City shall convey to the Developer title to the City Parcels by Quitclaim Deeds (“Deeds”), which Deeds shall be subject to repurchase under the provisions of Section 7.03(d) herein. The conveyance and title shall, in addition to the provisions of this Agreement, be subject to:

- i. the Redevelopment Plan;
- ii. the standard exceptions in an ALTA insurance policy or, if purchased by Developer, extended coverage;
- iii. taxes accruing from and after the date of closing;
- iv. the easements, encroachments, covenants and restrictions of record described as exceptions B, C, F, G and V in the Title Company’s Commitment Order Number 7768604; and
- v. such defects which cannot reasonably be cured but will not affect the use or marketability of the City Parcels.

(c) Title Commitment and Insurance. The Developer shall be responsible for any title insurance or endorsements (including extended coverage) it deems necessary.

(d) Survey. The Developer shall be responsible for any survey of the City Parcels it deems necessary.

(e) Real Estate Taxes. The City shall obtain the waiver of all general real estate tax liens, if any, that exist on the City Parcels on or before the Closing Date. The Developer shall be responsible for all taxes accruing after the Closing Date.

(f) Recordation of Deed. The Purchaser shall promptly file the Deed for recordation with the Office of the Cook County Recorder of Deeds. The Developer shall pay all costs for so recording the Deed.

3 14 Vacation of Public Right of Way. The Developer shall take all steps necessary to obtain the vacation in its favor of any public right of way existing as of the Closing Date on any portion of the Developer Parcels. The City shall take all steps necessary to present to the City Council, for its approval, which approval cannot be guaranteed, a vacation ordinance pertaining to any public right of way existing on any portion of the Developer Parcels.

**SECTION 4. FINANCING**

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Twenty Million Three Hundred Fifty Five Thousand and Ninety Dollars (\$20,355,090), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity	\$18,355,090
Estimated City Funds (subject to <u>Section 4.03</u> )	2,000,000
<b>ESTIMATED TOTAL</b>	<b>\$20,355,090</b>

4.02 Developer Funds. Except for the \$2,000,000 in City Funds dedicated to Eligible Construction Costs, Equity 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 (as defined in subsection (b) herein) may be used to pay directly or reimburse the Developer only for costs of TIF-Funded Improvements. 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 Section 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. Except for the \$2,000,000 in City Funds dedicated to Eligible Construction Costs, City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4 03 and Section 5 hereof, the City hereby agrees to reserve 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:

City Funds

<u>Source of City Funds:</u>	<u>Maximum Amount.</u>
TIF Bond Proceeds or Other City Financing Sources	\$2,000,000 (solely for Eligible Construction Costs)
Other City Financing Sources	the lesser of the amount shown on the Schedule set forth directly below, or \$3,600,000 (solely for Private Acquisition Costs)

Schedule

<u>If paid in full by this date:</u>	<u>Maximum (solely for Private Acquisition Costs):</u>
Issuance of the Certificate	\$2,000,000
Issuance of the Certificate plus X year(s)	the sum of \$2,000,000 plus the product of X times \$160,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed 1) Five Million Six Hundred Thousand Dollars (\$5,600,000), if the actual total Project costs are equal to or greater than \$20,167,426, or 2) twenty-seven and eight-tenths percent (27.8%) of the actual total Project cost if actual total Project costs are less than \$20,167,426; and provided further, that on any payment date set forth in Section 4 04(b) hereof, the City shall not be obligated to pay for, from any source, Private Acquisition Costs in excess of an amount equal to the aggregate amount of Available Incremental Taxes calculated at that time.

The parties acknowledge that the City is not pledging to pay Developer any Incremental Taxes or Available Incremental Taxes herein; the phrase "Available Incremental Taxes" is being used solely to determine the amounts that the City will pay the Developer from Other City Financing Sources. The City may, in its discretion, use Incremental Taxes for payments of City Funds to the Developer hereunder, but only to the extent that and provided that any conditions or limitations of the TIF Bonds are not thereby violated.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof for Private Acquisition Costs shall not be reimbursed.

(c) Retainage. Each disbursement of City Funds for Eligible Construction Costs shall be reduced by fifteen percent (15%), which is to be held by the City for release upon the issuance of the Certificate.

(d) Conditional Grant of City Funds. The City grants City Funds to Developer in an amount up to but not to exceed \$5,600,000 to fund a portion of the TIF-Funded Improvements, subject to the Developer's compliance with the requirements of this Agreement.

#### 4 04 Disbursement of City Funds

(a) Disbursements. All disbursements of City Funds designated for Eligible

Construction Costs shall be made through the funding of draw requests from Developer on the Requisition Form shown as Exhibit L1 herein and as described in Section 5.16 herein.

(b) Requisition Form. On or before October 1, 2001 and prior to each October 1 (or such other date as the parties may agree to) thereafter, and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been paid City Funds in full under this Agreement, the Developer shall provide DPD with a Requisition Form of the type shown as Exhibit L2 herein, along with the documentation described therein, to request reimbursement for Private Acquisition Costs hereunder. Requisition for reimbursement shall be made not more than one time per calendar year (or as otherwise permitted by DPD). On each December 1 (or such other date as may be acceptable to the parties), beginning in 2001 and continuing throughout the Term of the Agreement, the Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

#### 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 DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity hereunder (the "Prior Expenditures"). DPD shall have the right, in its reasonable discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity required to be contributed by the Developer pursuant to Section 4.01 hereof.

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

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line of the Project Budget only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items relating to Eligible Construction Costs, in an amount not to exceed \$100,000 per item, or \$500,000 in the aggregate, may be made without the prior written consent of DPD.

(d) Allocation of Costs With Respect To Sources of Funds. The proportion of the aggregate amount of funds disbursed from time to time from City Funds for Eligible Construction Costs to the total amount of funds paid for the Project shall not be greater than the Deemed Pro Rata Share at any time.

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

## SECTION 5. CONDITIONS PRECEDENT

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

5.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget (per Exhibit H1) in accordance with the provisions of Section 3.03 hereof.

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

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

5.04 Financing. The Developer shall have furnished proof reasonably acceptable to the City that the Developer or an Affiliate has Equity in the amounts set forth in Section 4.01 hereof to satisfy its obligations under this Agreement; proof may include, but is not limited to, a capital spending budget of the Developer or an Affiliate demonstrating that the Equity is earmarked for the Project. Any liens against the Property in existence at the Closing Date relating to the financing of the Project shall be subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

### 5.05 Title Insurance, Acquisition, Title, Easements and Licenses.

(a) Title Insurance. On the Closing Date, the Developer shall furnish the City with 1) a copy of the Title Policy for the Purchased Properties (except for the Developer Parcel consisting of public right of way), certified by the Title Company, showing the Developer as the named insured, and 2) certified copies of all easements and encumbrances of record with respect to the Property that are not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto, and 3) a copy of the lease pertaining to the Licensed Property, showing the Developer as the lessee. The Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit G hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8 18 hereof. The Title Policy shall also

contain such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking if the property in question is improved; 3.0 with parking if not improved), contiguity, location, access and survey. Developer shall promptly furnish the City a copy of a revised Title Policy when the Developer Parcel consisting of public right of way is vacated.

(b) Acquisition. The Developer shall provide the City, prior to the Closing Date, documentation showing its purchase of the Purchased Properties. The documentation shall include copies of closing statements, purchase contracts and recorded deeds.

(c) Easements and Licenses. The Developer shall have provided to the City, prior to the Closing Date, or as soon after the Closing Date as such documents become available, copies of all fully executed documents concerning the Licensed Property under which CTA grants Developer the right to improve and cross those portions of the Property consisting of CTA land.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer, at its own expense, shall have provided the City with current searches under the Developer's name and the following trade names of the Developer: Jewel Food Stores; Osco Drug, as follows:

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

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

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

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer shall furnish the City with two opinions of counsel that, together, address the issues raised in the form attached hereto as Exhibit J, with such changes as may be required by or acceptable to

Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions shall be obtained by the Developer from its general corporate counsel.

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

5.11 Financial Statements. Not less than thirty (30) days prior to the Closing Date, the Developer shall have provided Financial Statements to DPD for its Year 1999 fiscal year and audited or unaudited interim financial statements which are available.

5.12 Documentation. The Developer shall have provided all other documentation required by DPD, satisfactory in form and substance to DPD.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. Based on the City's review thereof, the City may, in its sole discretion, require the completion of a phase II environmental audit with respect to the Property prior to the Closing Date. The City reserves the right to terminate negotiations with respect to this Agreement if, in the City's view, such audits reveal the existence of material environmental problems. Prior to the Closing Date, the Developer shall provide the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

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

5.15 Litigation. To the extent not set forth in the opinion of Developer's counsel that is required under Section 5.09 herein, the Developer shall provide to Corporation Counsel and DPD, at least ten (10) business days prior to the Closing Date, a description of all pending or threatened litigation or administrative proceedings involving the Developer which would impair its ability to perform under this Agreement, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation of such expenditures to DPD, which documentation shall be satisfactory to DPD in its reasonable discretion. Such documentation

shall include copies of executed lien waivers from the General Contractor and subcontractors for all costs of the Project which have not already been approved by the City, and evidence that any disbursement of City Funds will be made in compliance with Section 4.05(d) hereof. The Developer shall also provide to the City copies of any other materials provided to the Developer by contractors or other entities in connection with requesting disbursements for Project costs. Delivery by the Developer to DPD 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 total amount of the disbursement request represents the actual cost of the Private Acquisition Costs or, for Eligible Construction Costs, the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

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

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

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

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

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any 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. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Other Bond Ordinance, if any, the Bond Ordinance, if any, the Other Bonds, if any, the TIF Bonds, if any, and the TIF Ordinances.

## **SECTION 6. AGREEMENTS WITH CONTRACTORS**

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

(a) Except as set forth in Section 6 01(b) below, prior to entering into an agreement with



a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from Developer's pre-approved list of contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval.

(i) For the TIF-Funded Improvements, the Developer shall select from its pre-approved list the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid (considering the requirements of this Agreement, including the requirements of Section 10) for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid (considering the requirements of this Agreement, including the requirements of Section 10), the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof.

The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until all requisite permits for such work have been obtained.

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

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

6.03 Performance and Payment Bonds. Prior to commencement of any portion of the Project which includes work in the public way, the Developer shall require that the General Contractor be bonded for its performance and payment of such work by sureties having an AA rating or better using the forms of bonds typically used by the City for public works projects, adapted as appropriate, specimen copies of which are attached hereto as Exhibit Q. The City shall be named as obligee or co-obligee on such bonds.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and, to the extent applicable pursuant to the terms thereof, 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; General Contractor only), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within ten (10) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

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 and that the right to reversion of title to the City Parcels is waived. 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 and 8.06 as covenants that run with the

land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) for any time period up to and including the entire Term of the Agreement (subject to earlier extinguishment of such covenants pursuant to their terms) . The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement (including Section 15.03 hereof), then the City shall have, 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 such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that 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;

(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 TIF Bonds; and

(d) the right to repurchase title to the City Parcels pursuant to Section 15.02(b), provided, however, that this remedy expires upon issuance of a certificate of occupancy for the Facility. If the City exercises this right, then Developer will execute and deliver any documents and take any usual and customary actions necessary to reconvey the City Parcels to the City, and to record and perfect good title in the City to the City Parcels, including, but not limited to, the following:

- (1) a special warranty deed from Developer to the City;
- (2) an Owner's Title policy in favor of the City at the expense of Developer, evidencing a quality of title equal to that which existed when the City conveyed the City Parcels to the Developer, with no other liens or encumbrances other than those of a definite and ascertainable amount that can be (and will be) paid off out of proceeds received from the City;
- (3) proration of real estate tax and other pro-ratable items

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

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

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

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

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

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

(d) unless otherwise permitted pursuant to the terms of this Agreement (including subsection (j) of this Section 8.01), the Developer shall acquire and shall maintain: 1) subject to the terms thereof, all leases to cross over and improve the Licensed Property that are necessary for the uses described in this Agreement; 2) except for the Developer Parcel consisting of public right of way, for all other portions of the Property, good, indefeasible and merchantable fee simple title free and clear of all liens except for the Permitted Liens and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof; and 3) upon Developer's acquisition of fee simple title to the Developer Parcel presently consisting of public right of way, said parcel shall thereafter be subject to subsection 2) hereof;

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

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

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

business and to construct, complete and operate the Project;

(h) the Developer is not in default that would affect its ability to perform under this Agreement 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 entities described therein, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the entities described therein since the date of the Developer's most recent Financial Statements;

(j) the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation, except in a transaction involving only Affiliates or in a transaction that will not cause a material or detrimental change in the ability of the Developer to fulfill the obligations of this Agreement; (2) prior to the completion of the Project (as evidenced by the issuance of a Certificate), sell, transfer, convey, lease (except for the two retail outlots) or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or except with respect to the transfer of all or any portion of the Property to an Affiliate; (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, if such action would materially adversely affect the ability of the Developer to fulfill its obligations under this Agreement; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition, if such action would materially adversely affect the ability of the Developer to fulfill its obligations under this Agreement;

(k) the Developer has not incurred, and shall not, without the prior written consent of the Commissioner of DPD ("Commissioner"), allow the existence of any liens against the Property other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto; provided that nothing herein is intended to prohibit the Developer from obtaining senior purchase money financing for store equipment and other tangible personal property customarily financed separately by grocery and drug store developers; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Complete the Project. Upon DPD's approval of the Project Budget, the

Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and upon the Chicago Plan Commission's approval of the Business Planned Development for the Property as provided in Section 3.02, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall complete the Project in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section 8.02 shall run with the land and be binding upon any transferee until issuance of the Certificate.

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 that is in effect as of the date hereof from the commencement of this Agreement until issuance of the Certificate.

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 additional bonds in connection with the Project, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Other Bonds, including but not limited to providing written descriptions of the Project, making representations, providing publicly available information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation and Retention; Covenant to Remain in the City. Not less than one hundred fifteen (115) full-time equivalent, permanent jobs shall be created by the Developer, or caused to be created, at the Jewel grocery store and Osco drugstore upon the completion of construction thereof, and the Developer shall retain those jobs, or cause these jobs to be retained, for the Term of the Agreement. The Developer will provide employment opportunities to residents of the Redevelopment Area in the manner specified in Exhibit N hereto and shall provide the DPD with the report required therein. The Developer hereby covenants and agrees to maintain operations, or cause such operations to be maintained, within the City of Chicago at the site described above through the Term of the Agreement. The Developer shall not change the uses of the Facility from the initial uses as approved by DPD without the written consent of the DPD. The Developer also agrees that the payment of City Funds may be suspended and this Agreement terminated if the improved portion of the Property that is devoted to selling space remains at least 93% vacant for more than one continuous twelve-month period during the Term of the Agreement. The obligations of the Developer to provide jobs and maintain operations, or cause same to be provided and maintained, as set forth above, shall not apply to any portion of

the Facility at which the Developer has suspended operations at such portion of the Facility in connection with the repair, remodeling or change in operator of such portion of the Facility. The covenants set forth in this Section 8.06 shall run with the land and be binding upon any transferee, and the sole remedy for failure to meet the obligations of these covenants is set forth in Section 8.22 herein.

**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, to the extent applicable pursuant to Section 10 hereof, cause each subcontractor to abide by, the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City 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 DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

**8.09 Prevailing Wage.** The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project construction employees (including all demolition, environmental, excavation, erection and construction workers). All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

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

**8.11 Conflict of Interest.** Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the

Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business or the Property.

8.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project other than ownership of less than five percent of the outstanding publicly-traded shares of Developer's parent company.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the year 2000 fiscal year and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges.

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

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

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



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

8.16 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to perform its obligations under this Agreement.

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

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified herein), and all amendments and supplements hereto to be recorded and filed against the Purchased Properties on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with a loan from an Affiliate. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Project, the Purchased Properties, the Licensed Property to the extent of Developer's interest therein, which create or may create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charges" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate and leasehold taxes.

(ii) Right to Contest. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental

Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

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

8.20 Public Benefits Program. Upon prior approval by the DPD, the Developer shall, immediately upon completion of the Facilities, undertake a public benefits program as described on Exhibit M. On a semi-annual basis, the Developer shall provide the City with a status report describing in sufficient detail the Developer's compliance with the public benefits program.

8.21 Job Readiness Program. Developer and its grocery store tenant shall undertake a job readiness program, as described on Exhibit O, to work with the City, through the Mayor's Office of Workforce Development, to participate in job training programs to provide job applicants for the jobs created through the Project.

8.22 Recovery of TIF Funding Upon Triggering Event.

(a) The City Funds provided to the Developer pursuant to this Agreement are conditioned expressly on the Developer's compliance with the requirements of this Agreement. If, without prior written approval by the City, the Developer or any Affiliate i) sells or refinances, or enters into written agreements to sell or refinance, any or all of the Property or the Facility, except for a sale to an Affiliate; ii) changes or causes changes to the uses of the Facility from the initial uses as approved by DPD; iii) fails to maintain operations, or to cause such operations to be maintained, within the City of Chicago at the Jewel grocery store and Osco drugstore on the Property; or iv) fails to create or maintain 115 full-time equivalent, permanent jobs (each, or in combination, a "Triggering Event"), then the payment to the Developer of any unpaid City Funds shall cease immediately and all or a portion of the City Funds that have been paid to Developer shall be promptly paid as a penalty to the City by the Developer, pursuant to the following schedule:

For the first five years following the date of the certificate of occupancy for the Jewel grocery store and Osco drugstore on the Property, 100%;

At any time after the first five years following the date of the certificate of occupancy for the Jewel grocery store and Osco drugstore on the Property, the difference that remains of the total amount of City Funds paid to the Developer less the product of the Annual Waiver Amount (as defined below) times the number of years and fractional years measured from the Closing Date to the date of the Triggering Event.

The City may waive repayment/recapture of such funds if, in the discretion of the Chief Financial Officer of the City or the Commissioner (or designees thereof), the receipt of the such funds may adversely affect the exemption from gross income of interest on the TIF Bonds.

(b) The Annual Waiver Amount is the quotient of the total amount of the City Funds (\$5.6 million) divided by the number of years and fractional years of the Term of the Agreement.

(c) As examples of the above calculation, assume that the Closing Date is June 28, 2000, so that the Term of the Agreement is 13 and 5/12ths years (13.42 years), and the date of the certificate of occupancy for the Jewel grocery store and Osco drugstore on the Property is May 28, 2001; thus, the date that is five years thereafter is May 28, 2006.

First Example: Assume that the Developer sells its entire interest in the Facility to an Affiliate on April 28, 2002 without seeking the consent of the City. This sale is not a Triggering Event.

Second Example: Assume that the Affiliate from the First Example sells its entire interest in the Facility to a non-Affiliate on April 28, 2004 without receiving the prior written consent of the City. This sale is a Triggering Event. Assume that the Developer has received total City Funds in the amount of \$3.5 million and the Affiliate was about to receive additional City Funds (pursuant to Section 18.15 herein and the City's consent) in the amount of \$250,000. The City shall not pay either the Developer or the Affiliate any

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additional City Funds, and the Developer or the Affiliate shall promptly repay to the City all \$3.5 million.

Third Example: Assume that a Triggering Event occurs on April 28, 2007 and that the Developer has received total City Funds in the amount of \$4.0 million. The Annual Waiver Amount is \$5,600,000 divided by 13.42 years (the Term of the Agreement), which is \$417,288. The number of years and fractional years from the Closing Date (e.g., June 28, 2000) to the Triggering Event date is 6.83 (six and 10/12ths years). The Developer shall promptly repay to the City \$1,149,923 (which is the \$4.0 million received minus \$2,850,077 (which is the product of 6.83 times the Annual Waiver Amount of \$417,288)).

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

8.24 Rehabilitation of the CTA Green Line Station. The Developer acknowledges that, pursuant to the terms and conditions of that Business Planned Development approved for the Property as provided in Section 3.02, it shall contribute to the CTA the sum of \$100,000 for the rehabilitation of the Roosevelt Road Green Line Station.

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this

Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

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

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

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

c. Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. The Developer shall deliver quarterly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD shall have access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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



Municipal Code of Chicago.

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

g. Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

## 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, the Bond Ordinance and the Redevelopment Plan. Developer represents and warrants to undertake and complete the remediation of the Property required in the April 23, 1999 Memorandum from the City Department of Environment to the DPD.

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

presently consisting of public right of way, the conditions referred to in subsections (i), (ii) and (iii) herein shall only apply after the Closing Date hereof; and provided, also, that this Section 11 shall not apply with respect to the Licensed Property (unless the loss or claim is caused by the Developer) or to actions or omissions arising from the negligence or willful misconduct of the City.

## SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.<sup>1</sup>

(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 and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service

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<sup>1</sup> The insurance coverage required of Developer may contain the following elements, provided that the required coverage is not diminished the required limits are not reduced and the elements thereof are otherwise commercially reasonable blanket, layered umbrella, conventional or manuscripted policies, retention levels and loss reserves which are charged against Developer's earnings or otherwise funded, and commercially reasonable deductibles

under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident or illness.

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall 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 shall 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) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

[deleted]

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis

- (c) Prior to the execution and delivery of this Agreement and during construction: All Risk Property Insurance in the amount of the full replacement value of the Project.
- (d) Post-construction, and throughout the remaining Term of the Agreement: All Risk Property Insurance on the Property, including improvements and betterments thereon, in the amount of the full replacement value of the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City shall be named as an additional insured.
- (e) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer shall submit evidence of insurance prior to execution of the Agreement. The receipt of any certificate does

not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

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

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

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

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

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

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

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

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, without the consent of the Developer for any modification or deletion which would not increase such requirements. in connection with insurable hazards that are at the time commonly insured against in agreements of this type.

### SECTION 13. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (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 the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer, or (iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

### 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 (except for subcontracts executed prior to the date hereof).

14.02 Inspection Rights. Upon five (5) business days' notice, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

### SECTION 15. DEFAULT AND REMEDIES

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

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

related agreement, including, but not limited to, the failure of the Developer to promptly repay City Funds following the occurrence of a Triggering Event as set forth in Section 8.22 herein;

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

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

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

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

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

(g) the entry of any judgment or order against the Developer which affects or would affect the ability of the Developer to perform its obligations under this Agreement and 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 any loan to Developer from an Affiliate that would affect Developer's ability to perform under this Agreement, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer; or

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

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

15.02 Remedies. Upon the occurrence of an Event of Default, the City may:

(a) terminate this Agreement and all related agreements, and suspend disbursement of City Funds;

(b) solely for Developer's failure to comply with Section 8.02, reenter and take possession of the City Parcels, terminate the estate conveyed to the Developer and, pursuant to and subject to the provisions of Section 7.03(d) herein (including the expiration provision set forth therein), reconvey title to the City Parcels in the City. The City may also, in its sole discretion, terminate the Developer's right of title and all other rights and interests in and to the City Parcels conveyed by the Deed to the Developer pursuant to Section 3.13 hereof, such that the title and all rights and interests of the Developer in the City Parcels shall revert to the City. Upon such reconveyance, the City shall employ its best efforts to convey the City Parcels to a qualified and financially responsible party (as solely determined by the City) who shall assume the obligation of completing the City Parcels portion of the Project or, in the alternative, the City, at its sole option, may elect to retain the City Parcels. Within a reasonable period of time after 1) the reconveyance to another party and the City's receipt of the proceeds of such sale, or 2) the City's election to retain the City Parcels, but in any event not later than two years after the reconveyance to the City of the City Parcels, the City shall reimburse to the Developer the entire price the Developer paid the City for the City Parcels, less the following:

- i. reasonable costs and expenses, including but not limited to, salaries of personnel retained in connection with the recapture, management and resale of the City Parcels (less any income derived by the City from the City Parcels in connection with such management;
- ii. all taxes, assessments, and water and sewer charges assessed against the City Parcels;
- iii. any payments made (including reasonable attorneys' fees) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to the obligations, defaults or acts of the Developer;
- iv. any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and



v. any other amounts owed to the City by the Developer under the terms and conditions of this Agreement.

(c) in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any other available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein, provided, however, that for an Event of Default arising in connection with the provisions of Section 8.06 herein, the sole remedy is Section 8.22.

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

## SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Purchased Properties or any portion thereof are listed on Exhibit G hereto 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 Purchased Properties or any portion thereof is referred to herein as a "New Mortgage." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Purchased Properties or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) During the Term of this Agreement, the Developer may procure a New Mortgage or more than one New Mortgage provided that the total sum of the principal amounts thereof shall not exceed 82% of the value of the Purchased Properties as such value is determined by an appraisal conducted on behalf of the Developer's lender(s).

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

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

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

## SECTION 17. NOTICE

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

If to the City: City of Chicago  
Department of Planning and Development  
121 North LaSalle Street, Room 1000  
Chicago, IL 60602  
Attention: Commissioner  
fax: 312-742-6087

With Copies To: City of Chicago  
Department of Law  
Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
fax: 312-744-8538

If to the Developer: American Stores Properties, Inc.  
1955 W. North Ave.  
Melrose Park, IL 60160  
Attention: Real Estate  
fax: 708-786-3028

With Copies To: Real Estate Legal Department  
American Stores Properties, Inc.  
c/o Albertson's, Inc.  
250 Park Center Boulevard  
Boise, ID 83706  
fax: 208-395-6575

Michael J. Martin, Esq  
Burke, Warren, MacKay & Serritella, P.C.  
330 N. Wabash - 22d Floor  
Chicago, IL 60611  
fax. 312-840-7900

Langdon D. Neal, Esq  
Earl L. Neal & Associates LLC  
111 W. Washington - Ste 1700  
Chicago, Illinois 60602  
fax: 312-641-5137

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.

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

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

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

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

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

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

18.15 Assignment. For the Term of this Agreement, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the prior written consent of the City except to an Affiliate. Notwithstanding the issuance of a Certificate, any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.19 and Section 8.20 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, 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, give written notice to the other parties to this Agreement within one week of occurrence. 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 No Business Relationship with City Elected Officials. Pursuant to 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 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. 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, shall be grounds for termination of this Agreement and the transactions contemplated thereby. 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 thereby.

18.21 Survival of Agreements. Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.22 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

18.23 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.

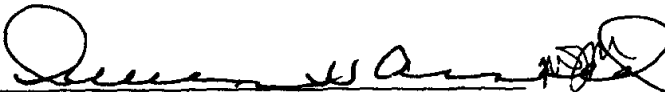
18.24 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorneys' fees and legal expenses, whether or not there is a lawsuit, including 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 shall pay any court costs, in addition to all other sums provided by law.

18.25 Provisions Not Merged with Deed. The provisions of this Agreement shall not be merged with the Deed to the City Parcels, and the delivery of the Deed shall not be deemed to affect or impair the provisions of this Agreement.

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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.

**AMERICAN STORES PROPERTIES, INC.**

By:   
Its: WILLIAM H. ARNOLD  
VICE PRESIDENT

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Commissioner  
Department of Planning and Development

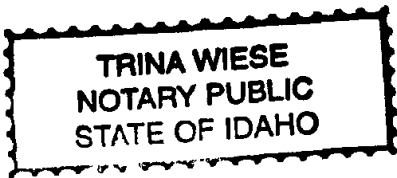


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Idaho )  
STATE OF ILLINOIS )  
Act ) ss  
COUNTY OF COOK )

I, TRINA WIESE, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that William H. Proctor personally known to me to be the Vice President of American Stores Corp. 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 Board of Directors 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 18<sup>th</sup> day of July, 2000.



Trina Wiese  
Notary Public

My Commission Expires 1/28/04

(SEAL)

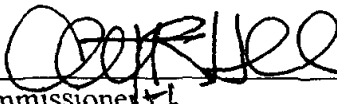
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

**AMERICAN STORES PROPERTIES, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY OF CHICAGO**

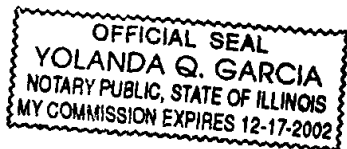
By:  \_\_\_\_\_  
Commissioner  
Department of Planning and Development

STATE OF ILLINOIS )
) ss
COUNTY OF COOK )

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

GIVEN under my hand and official seal this 19 th day of July, 2000.

Yolanda Q Garcia
Notary Public



My Commission Expires Dec. 17, 2002

00542849

The boundaries of the Near South Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, Boundary Map, and more particularly described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS

BEGINNING ON THE WEST LINE OF SOUTH MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF EAST 11TH STREET, AND RUNNING,

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF EAST 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH COLUMBUS DRIVE;

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF EAST ROOSEVELT ROAD,

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE EAST 23RD STREET VIADUCT STRUCTURE,

00542849

00760046

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2, AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE, A DISTANCE OF 1955.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

***Amendment - April 1994***

Section 2, Redevelopment Project Area Description, is amended to include the following legal description of the Amended Area.

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21, AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY

00542849

00760046

OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY;

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT;

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L.&I. HARMON'S SUBDIVISION OF

BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16,  
AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE  
OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY,  
12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE  
SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE  
OF WEST HARRISON STREET;

THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN  
INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION  
BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK  
136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID WEST LINE OF SAID STATE STREET TO AN  
INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT  
2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN  
FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE  
OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND,  
30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO  
AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE  
WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF  
SOUTH STATE STREET;

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN  
INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST  
21ST STREET;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE  
OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN  
CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE  
SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT  
2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF  
THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF  
SAID SOUTH 25 FEET OF LOT 2 OF THE EAST LINE OF SOUTH WABASH AVENUE

(SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26;

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST LONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25;



THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID,

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20.00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

CHICAGO TITLE INSURANCE COMPANY

DEVELOPER PARCELS  
EXHIBIT B-1

OWNER'S POLICY (1992)

SCHEDULE A (CONTINUED)

00760046

POLICY NO.: 1401 007768615 D1

5 THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL 1:

00542849

LOTS 2 AND 3 (EXCEPT THE EAST 10 FEET AND EXCEPT THE WEST 27 FEET OF SAID LOTS) IN THE WEST 1/2 OF BLOCK 4 IN SEAMAN'S SUB OF BLOCK 5 OF THE WEST 1/2 OF BLOCK 4 & THE WEST 148 FEET OF BLOCK 6 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

00542849

PARCEL 2:

LOT 4 (EXCEPT THE NORTH 51 1/2 FEET THEREOF) AND THE NORTH 25 FEET OF LOT 5 IN THE ASSESSORS DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST HALF OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTH WEST FRACTIONAL QUARTER OF SECT 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS., (EXCEPTING FROM SAID PREMISES THAT PART THEREOF CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY) IN COOK COUNTY, ILLINOIS

PARCEL 3:

THE SOUTH 25 FEET OF LOT 5 (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S SUBDIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 OF ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4

LOTS 6 AND 7 (EXCEPT THE WEST 25 FEET OF EACH OF SAID LOTS) IN ASSESSOR'S DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 IN ASSESSORS DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 5.

LOT 7 (EXCEPT WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.

CHICAGO TITLE INSURANCE COMPANY  
OWNER'S POLICY (1992)  
SCHEDULE A (CONTINUED)

00542849  
00760046

POLICY NO.: 1461 007768613 21

5 THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

THE NORTH 51.5 FEET OF LOT 4 (EXCEPT THE WEST 25 FEET OF SAID PREMISES TAKEN FOR ELEVATED RAILROAD) IN THE ASSESSORS DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

P.I.Ns:

17-22-100-015 thru 024, inclusive

17-22-100-031

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.

CHICAGO TITLE INSURANCE COMPANY  
OWNER'S POLICY (1992)  
SCHEDULE A (CONTINUED)

00542849  
00760046

POLICY NO. : 1401 007768614 D1

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

LOTS 1, 2 AND 3 (EXCEPT THE WEST 25 FEET OF SAID PREMISES TAKEN FOR ELEVATED RAILROAD) IN THE ASSESSORS DIVISION OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTHWEST FRACTIONA 1/4 SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

17-22 100 016 — 014  
034 — 035

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.

10 thru 014  
34 thru 035

CHICAGO TITLE INSURANCE COMPANY  
COMMITMENT FOR TITLE INSURANCE  
SCHEDULE A (CONTINUED)

CITY PARCELS  
EXHIBIT B-2  
00760046

ORDER NO.: 1401 007768604 D1

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

00542849

PARCEL 1:

THE WEST 1/2 OF BLOCK 3 IN ASSESSORS DIVISION OF PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, (EXCEPTING FROM SAID PARCEL THAT PART DESCRIBED AS FOLLOWS:

THAT PART FALLING WITHIN 12 TH STREET (ALSO KNOWN AS ROOSEVELT ROAD)

PARCEL 2:

LOT 1 IN SRAMANS SUBDIVISION OF BLOCK 5 OF THE WEST HALF OF BLOCK 4 AND THE WEST 148 FEET OF BLOCK 6 OF ASSESSORS DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN

PARCEL 3: INTENTIONALLY DELETED

PARCEL 4:

LOT 2 (EXCEPT THE WEST 30 FEET THEREOF AND EXCEPT THAT PART CONDEMNED FOR WIDENING 12TH STREET) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN

ALSO

LOT 3 (EXCEPT THAT PART THEREOF FALLING IN ALLEY AND EXCEPT THAT PART THEREOF FALLING IN THE RIGHT OF WAY OF THE CHICAGO TRANSIT AUTHORITY) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

PARCEL 5:

LOTS 4 AND 5, (EXCEPT THE WEST 32 FEET THEREOF) AND LOT 6, (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

## EXHIBIT C

## TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Private Land Acquisition Costs	\$3,600,000
Construction-Related Costs:	\$2,000,000
Demolition	
Site Preparation	
Environmental Remediation	
Public Improvements	
TOTAL	\$5,600,000

EXHIBIT 0

**NEAR SOUTH  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

**AMENDMENT NO. 2**

**Prepared for:  
The City of Chicago**

**By:  
Teska Associates, Inc.  
Mann Gin Dubin & Frazier, Ltd.**

**December, 1998**



**NEAR SOUTH  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN  
AMENDMENT NO. 2**

**Prepared for:  
The City of Chicago**

**By:  
Teska Associates, Inc.  
Mann Gin Dubin & Frazier, Ltd.**

**December, 1998**

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APPENDIX A ..... A1

## 1. INTRODUCTION

On November 28, 1990, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Central Station Area Tax Increment Financing Redevelopment Project and Plan (the "Original Project and Plan"); 2) designate the Central Station Project Area (the "Original Redevelopment Project Area") as a redevelopment project area, and 3) adopt tax increment allocation financing for the Central Station Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act, presently codified as 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act").

It was determined by the Commercial District Development Commission (the predecessor to the Community Development Commission) and the Chicago City Council, based on information in the Original Project and Plan, that there existed conditions which caused the Original Redevelopment Project Area to be subject to designation as a "Redevelopment Project Area" and designated as a "blighted area" under the Act; that the Original Redevelopment Project Area on the whole had 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 Original Project and Plan, that the Original Project and Plan conformed to the comprehensive land use plan for the development of the City as a whole; that the estimated date of completion of the Original Plan and Project, and the estimated date of retirement of all obligations issue to finance redevelopment project costs, was November 28, 2013; that the Redevelopment Project Area would not reasonably be developed without the use of incremental revenues under the Act and that such incremental revenues would be used exclusively for the Original Plan and Project; and that the parcels in the Redevelopment Project Area were contiguous and the only parcels to be substantially benefitted by the proposed project improvements included in the Redevelopment Project Area.

On August 3, 1994, the City desired to expand the boundaries of the Original Redevelopment Project Area, to designate such expanded project area as a redevelopment project area under the Act, and to amend the Original Plan and Project to provide for the development of the area added to the Original Redevelopment Project Area and the use of tax increment financing for certain additional redevelopment project costs. To carry out this amendment, the City adopted ordinances to: 1) approve the Near South Tax Increment Financing Redevelopment Project and Plan (the "Expanded Area Redevelopment Project and Plan"), 2) designate the Original Redevelopment Project Area and the additional project area resulting from the expanded boundaries as the Near South Redevelopment Project Area (the "Expanded Redevelopment Project Area"), and 3) adopt tax increment allocation financing for the Expanded Redevelopment Project Area, all pursuant to the Act. In adopting such ordinances, the City and the Community Development Commission made determinations substantially similar to the determinations described in the above paragraph with respect to the Expanded Redevelopment Project Area.

The City has determined that an additional amendment to the Expanded Area Redevelopment Project and Plan is necessary at this time in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74 4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74 6-15(s) (State Bar Edition). This change is incorporated in this Amendment No. 2 (the "Amendment"). The Expanded Area Redevelopment Project and Plan, as amended by this Amendment, is referred to hereinafter as the Amended Project and Plan. Section 2 of this Amendment describes the modifications in detail.

The Amended Project and Plan summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Teska Associates, Inc. and its subconsultants. Teska Associates, Inc. has prepared this Amendment with the understanding that the City would rely, (i) on the findings and conclusions of the Amended Project and Plan in proceeding with the adoption and

implementation of the Amended Project and Plan; and (ii) on the fact that Teska Associates, Inc. has obtained the necessary information so that the Amended Project and Plan will comply with the Act

This Amendment includes Appendix A, which contains the Expanded Area Redevelopment Project and Plan as approved by the Chicago City Council.

## 2. MODIFICATIONS TO EXPANDED AREA REDEVELOPMENT PROJECT AND PLAN

Certain modifications to the Expanded Area Redevelopment Project and Plan are needed to incorporate "portability" language. These modifications form the basis for the amendment described below.

### References to Redevelopment Plan

All references in the Expanded Area Redevelopment Project and Plan to the "Redevelopment Plan" or the "Redevelopment Project and Plan" shall be deemed to refer to such plan or Project and Plan, as each has been amended by this Amendment.

### Sources of Funds to Pay Redevelopment Project Costs Amendment

The following language is hereby added on page A26 of the Expanded Area Redevelopment Project and Plan (included as Appendix A) as a concluding paragraph under the heading "Sources of Funds to Pay Redevelopment Project Costs:"

#### Amendment - 1998

If the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Act, the City may utilize revenues received under the Act from the Redevelopment Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other redevelopment project areas separated only by a public right-of-way, and vice versa. In addition, if the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/11-74 6-1, et seq. (1996 State Bar Edition), as amended (an "IJRB Project Area"), the City may utilize revenues received from such IJRB Project Area(s) to pay eligible redevelopment project costs or obligations issued to pay such costs in the Redevelopment Project Area, and vice versa. Such revenues may be transferred outright from or loaned by the IJRB Project Area to the Redevelopment Project Area, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support any contiguous redevelopment project areas, or those project areas separated only by a public right of way, when added to all amounts used to pay eligible redevelopment project costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. This paragraph is intended to give the City the full benefit of the "portability" provisions set forth in the Act, 65ILCS 5/11-74 4-4 (q) and the Law, 65 ILCS 5/11-74 6-15(s)

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**APPENDIX A**

**NEAR SOUTH REDEVELOPMENT PROJECT AREA TAX INCREMENT ALLOCATION FINANCE PROGRAM AS DESIGNATED BY THE CITY COUNCIL OF THE CITY OF CHICAGO AS "CENTRAL STATION," IN NOVEMBER, 1990 AND AMENDED AS "NEAR SOUTH" IN AUGUST, 1994.**

**NEAR SOUTH**

**TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

**(FORMERLY REFERRED TO AS  
AMENDED CENTRAL STATION AREA  
TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN)**

**CITY OF CHICAGO  
Richard M. Daley, Mayor**

**MAY 24, 1994**

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## 1. INTRODUCTION

Chicago's future and its continuing role as a world class city depends on its ability to build upon its strong assets while overcoming the threats and/or concerns relating to its future stability. Among Chicago's assets are: its beautiful lakefront setting; its magnificent system of parks, including Grant and Burnham parks; its viable business center; its many institutions, museums, universities and art galleries; the North Michigan Avenue shopping facilities; McCormick Place and Navy Pier; and its extensive neighborhood and community based cultural and economic organizations.

There are real problems which threaten Chicago. These problems include, but are not limited to, a pattern of out-migration by both major and minor corporations to the suburbs and to other states; a loss of convention business to other cities and other countries; the perception of a high incidence of crime; imbalances in public transportation services within the greater central area which continues to expand outward from the historic "Loop" business district, aging infrastructure; and the need to revitalize deteriorating, underutilized and undeveloped areas of the City.

The City of Chicago, working with the State of Illinois, has initiated bold steps in an effort to overcome some of the aforementioned problems, including programs to improve Chicago's educational system so students will be able to find meaningful employment after graduation. Within the greater central area additional steps have been taken, including the creation of the Metropolitan Pier and Exposition Authority, with Navy Pier improvements and an active effort directed toward expansion of the McCormick Place complex. Additional funding is being pursued by the City for planning and design of the Central Area Transit Circulator system (light rail transit system) to improve internal distribution and travel movements. A major redesign of the State Street Mall is planned, which, in conjunction with the new Harold Washington Library and other private developments along State Street will help revitalize this area.

Although the downtown and north and west sides of the central area have experienced dynamic new growth in office, hotel, entertainment and residential development, the Near South area generally south of Roosevelt Road and east of Michigan Avenue continues to decline. The Near South section of the greater central area is in significant need of revitalization and redevelopment. Recent studies have verified that the majority of the properties from 12th Street to 16th Street, and from Michigan Avenue to Indiana Avenue are characterized by deterioration and obsolescence and the area east of Indiana Avenue contains abandoned railroad yards which remain undeveloped.

The City of Chicago has long been aware of the redevelopment potential of the entire area. In 1919, the City Council adopted an ordinance which mandated the implementation of Daniel Burnham's 1909 plan for the area. More recent planning efforts which singled out the near south area include the 1972 Lakefront Plan and the 1973 Chicago 21 Plan. The plans put forth recommendations for the near south similar to those proposed in this redevelopment plan such as the extension of Roosevelt Road and various public transit improvements. In 1986, the Department of Planning prepared a special Near South Development Plan. The plan recognized the unique assets of the area and its potential to link the lakeshore and museum campus with a revitalized Near South neighborhood. The plan recommended roadway extensions at Roosevelt Road, 16th Street, and McFetridge Avenue.

In general, the plan called for business development which would create jobs in the area, residential development to stabilize the area and cultural and recreational improvements as well.

However, despite the existence of such ordinances and plans, the Central Station Area Redevelopment Project Area (hereinafter designated and defined as the "Redevelopment Project Area") has historically not been subject to growth and development through investment by private enterprise, and is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Tax Increment Financing redevelopment project and Plan and the substantial investment of public funds. Historically, private investment has not occurred to any major extent in the south loop area except in those areas in which the City has made a substantial investment of public funds.

The City now has a very real opportunity to serve as a catalyst for the development of the Redevelopment Project Area, and has already begun taking steps in that direction. On March 1, 1990, the Chicago Plan Commission approved the Central Station guidelines for Development (the "Central Station Guidelines") for an aggressive and comprehensive development of mostly vacant land located generally within the eastern portion of the Redevelopment Project Area. On April 6, 1990, the City Council approved the Central Station Planned Development Amendment to the Chicago Zoning Ordinance (the "Central Station Plan of Development") for parts of the land covered by the Guidelines. With the City's assistance and guidance, development of this portion of the Redevelopment Project Area will open the lakeshore to previously isolated neighborhoods, and will spearhead increased housing and business opportunities not only in the Redevelopment Project Area, but also within the near south loop area as a whole. The City must take an additional step to accomplish its development goals for the Redevelopment Project Area – the City must adopt Tax Increment Financing to attract the private investment that is needed within the Redevelopment Project Area

### **Tax Increment Financing**

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the **Tax Increment Allocation Redevelopment Act** (hereinafter referred to as the "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq. as amended. The Act provides a means for municipalities after the approval of a "redevelopment plan and project" to redevelop "blighted", "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment

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

Tax Increment financing does not generate revenues by increasing tax rates, it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected

redevelopment project costs and principal and interest obligations issued to pay such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

### **The Central Station Area Tax Increment Redevelopment Plan and Project**

This Central Station Area Tax Increment Redevelopment Plan and Project (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

This Redevelopment Plan also specifically describes the Redevelopment Project Area and sets forth the blighting factors which qualify the Redevelopment Project Area for designation as a blighted area as defined in the Act.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. The "Redevelopment Project" as used herein means any development project which may, from time to time, be undertaken to accomplish the objectives of the Redevelopment Plan.

The Redevelopment Project represents one of the most important economic opportunities available for the City of Chicago. By creating an environment for private development, Chicago will strengthen its tax base and establish an atmosphere that creates and retains jobs and a real alternative for companies that might otherwise move to the suburbs or out of state. At the same time, the longstanding objective to complete a southern edge to Grant Park can be accomplished. The museum campus area can be connected to the central business district and other areas of the City through suitable improvements to traffic patterns and the transportation system that serves these facilities and areas.

For the first time, direct linkage between the lakefront and the area south of Roosevelt Road can be planned and provided. The extraordinarily important McCormick Place facility can be expanded and integrated into the downtown area. The Redevelopment Project Area provides the vital connection for the museum campus and McCormick Place with the rest of the City.

The goal of the City of Chicago, however, is to ensure that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

Redevelopment of the Redevelopment Project Area is one of the largest of its kind in the United States, and it presents challenges and opportunities commensurate with its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The

adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for the redevelopment of the Redevelopment Project Area. By means of public investment, the area will become a stable environment that will again attract private investment. Public investment will set the stage for the rebuilding of the area with private capital.

Public and private investment is possible only if tax increment financing is used pursuant to the terms of the Act. The revenue generated by the development will play a decisive role in encouraging private development. Conditions of blight that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan, the City of Chicago will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Implementation of this Redevelopment Plan will benefit the City, its neighborhoods and all the taxing districts which encompass the Near South Side in the form of a significantly expanded tax base, employment opportunities and a wide range of other benefits.

#### ***Amendment - April 1994***

Section 1, Introduction, is amended to include the following additional statements:

During the process of implementing the Central Station Area Redevelopment Project and Plan (the "Original Redevelopment Project and Plan"), it has become evident that changes in the boundaries of the Redevelopment Project Area (the "Original Redevelopment Project Area"), and in the development program are necessary in order to facilitate achievement of the purpose and objectives of the Original Redevelopment Project and Plan as adopted on November 28, 1990. The area to be added to the original Redevelopment Project Area is referred to as the "Amended Area" and is generally bounded by Congress Parkway on the north; Michigan Avenue, Indiana Avenue and Calumet Avenue on the east; the Michigan-Cermak Redevelopment Tax Increment Financing Project on the south; and State Street on the west. The "Original Redevelopment Project Area" together with the "Amended Area" is renamed and hereinafter referred to as the "Near South Redevelopment Project Area". The Near South Redevelopment Project Area is geographically illustrated in Figure 1, Boundary Map.

The Amended Area consists of approximately 248.4 acres, encompassing thirty-eight full and partial city blocks, and various street and alley rights-of-way. This area contains vacant land, vacant and deteriorating buildings, numerous older and obsolete commercial and industrial buildings, underutilized sites and street, sidewalks and alleys in a deteriorating condition.

This Amended Area is found to be eligible for designation as a "Blighted Area" pursuant to the definition contained within the Tax Increment Allocation Redevelopment Act of the State of Illinois, as supplemented and amended from time to time (the "Act"), to overcome conditions of blight and obsolescence and to improve the economic and physical well-being of the City.

The Amended Area initially developed without the benefit or guidance of overall community planning. The inclusion of the Amended Area is necessary to stimulate redevelopment of certain properties as well as make certain public infrastructure improvements to create and sustain a positive environment for private investment, thereby preventing the decline of properties within this area which may impair the growth of the tax base of taxing districts having taxing jurisdiction over the Amended Area.

the addition of the Amended Area to the Redevelopment Project Area will permit improved coordination of redevelopment/revitalization projects and related public infrastructure improvements for all projects

within the Redevelopment Project Area. The Amended Area is physically and functionally related to other properties within the Redevelopment Project Area and will be substantially benefitted by the redevelopment project actions and improvements. The Amended Area functions as part of the greater Central Station Area which is included in the Original Redevelopment Project Area.

Timely and coordinated public and private investment within the Amended Area will be possible only if tax increment financing is adopted pursuant to the Act. The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the Redevelopment Project.

Figure 1, Project Boundary Map, is revised to include the amended area.

## 2. REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Near South Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") have been carefully drawn to include only those contiguous parcels of real property and improvements thereon substantially benefitted by the proposed redevelopment project improvements to be undertaken as part of this Redevelopment Plan. The boundaries are more specifically shown in Figure 1, Boundary Map, and more particularly described as follows:

THOSE PARTS OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 15, THE NORTHWEST QUARTER OF FRACTIONAL SECTION 22 AND THE EAST HALF OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF SOUTH MICHIGAN AVENUE, AT THE INTERSECTION OF SAID LINE WITH THE NORTH LINE OF EAST 11TH STREET, AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF THE SAID NORTH LINE OF EAST 11TH STREET, TO THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH COLUMBUS DRIVE,

THENCE SOUTHWARDLY, ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE AFORESAID NORTH LINE OF EAST ROOSEVELT ROAD,

THENCE EAST ALONG SAID EASTWARD EXTENSION OF ROOSEVELT ROAD TO THE EASTERLY RIGHT-OF-WAY LINE OF THE SOUTH BOUND LANES OF SOUTH LAKE SHORE DRIVE;

THENCE SOUTHWESTWARDLY, SOUTHWARDLY AND SOUTHEASTWARDLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID SOUTH BOUND LANES TO AN INTERSECTION WITH THE EASTWARDLY EXTENSION OF A LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF THE EAST 23RD STREET VIADUCT STRUCTURE;

THENCE WESTWARDLY ALONG SAID LINE WHICH IS 1500 FEET NORTHERLY FROM AND PARALLEL WITH THE NORTHERLY LINE OF SAID 23RD STREET VIADUCT, TO THE WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD,

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 1625 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST A DISTANCE OF 186 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE A DISTANCE OF 84 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2, AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, AFORESAID;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF THE 20 FOOT WIDE ALLEY A DISTANCE OF 92 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407 00 FEE, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET,

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441 00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE, A DISTANCE OF 1955 00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

***Amendment - April 1994***

Section 2, Redevelopment Project Area Description, is amended to include the following legal description of the Amended Area:

A TRACT OF LAND COMPRISED OF A PART OF EACH OF SECTIONS 15, 16, 21, AND 22, ALL IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY

OF CHICAGO, COOK COUNTY, ILLINOIS WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SOUTH MICHIGAN AVENUE WITH THE NORTH LINE OF EAST 11TH STREET BEING ALSO THE SOUTHEAST CORNER OF BLOCK 20 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO AND RUNNING;

THENCE EAST ALONG THE EASTWARD EXTENSION OF SAID NORTH LINE OF EAST 11TH STREET A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE EAST LINE OF SOUTH MICHIGAN AVENUE AS IMPROVED AND OCCUPIED;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH MICHIGAN AVENUE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST 8TH STREET;

THENCE WEST ALONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF EAST 8TH STREET TO AN INTERSECTION WITH THE EAST LINE OF SOUTH WABASH AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO AN INTERSECTION WITH THE SOUTH LINE OF EAST BALBO STREET;

THENCE EAST ALONG SAID SOUTH LINE OF EAST BALBO STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE AND ALONG THE NORTHWARD EXTENSION OF SAID EAST LINE TO AN INTERSECTION WITH THE EASTWARD EXTENSION OF THE NORTH LINE OF EAST CONGRESS PARKWAY;

THENCE WEST LONG SAID EASTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID EAST CONGRESS PARKWAY TO THE INTERSECTION WITH THE EAST LINE OF SOUTH STATE STREET;

THENCE WEST ALONG A STRAIGHT LINE TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET AND THE NORTH LINE OF WEST CONGRESS PARKWAY,

THENCE WEST ALONG THE NORTH LINE OF WEST CONGRESS PARKWAY TO AN INTERSECTION WITH THE NORTHWARD EXTENSION OF THE WEST LINE OF SOUTH PLYMOUTH COURT,

THENCE SOUTH ALONG SAID NORTHWARD EXTENSION AND ALONG THE WEST LINE OF SOUTH PLYMOUTH COURT TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF LOT 8 IN C.L & I HARMON'S SUBDIVISION OF



BLOCK 137 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, AFORESAID;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 8 TO AN INTERSECTION WITH THE WEST LINE OF THE PUBLIC ALLEY, 12 FEET WIDE AS OPENED BY THE CITY COUNCIL PROCEEDINGS IN SAID BLOCK 137;

THENCE SOUTH ALONG THE WEST LINE OF SAID PUBLIC ALLEY AND THE SOUTHWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE SOUTH LINE OF WEST HARRISON STREET;

THENCE EAST ALONG THE SOUTH LINE OF THE WEST HARRISON STREET TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET, SAID INTERSECTION BEING ALSO THE NORTHEAST CORNER OF LOT 1 IN THE SUBDIVISION OF BLOCK 136 OF SAID SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16;

THENCE SOUTH ALONG SAID WEST LINE OF SAID STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF SUBLOT 2 OF LOT 3 IN BLOCK 15 IN CANAL TRUSTEES SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF SUBLOT 2 TO AN INTERSECTION WITH THE WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, WHICH RUNS NORTH AND SOUTH THROUGH SAID BLOCK 15;

THENCE SOUTH ALONG SAID WEST LINE OF THE STRIP OF LAND, 30 FEET WIDE, TO AN INTERSECTION WITH THE NORTH LINE OF EAST 8TH STREET,

THENCE WEST ALONG THE NORTH LINE OF EAST 8TH STREET AND ALONG THE WESTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE WEST LINE OF SOUTH STATE STREET;

THENCE SOUTH ALONG THE WEST LINE OF SOUTH STATE STREET TO AN INTERSECTION WITH THE WESTWARD EXTENSION OF THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID SOUTH LINE OF EAST 21ST STREET TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 28 IN CURLEY'S SUBDIVISION OF BLOCK 28 OF THE ASSESSOR'S DIVISION OF THE SOUTHWEST FRACTIONAL QUARTER OF SAID SECTION 22;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN CURLEY'S SUBDIVISION TO THE NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 25 FEET OF LOT 2 OF THE EAST LINE OF SOUTH WABASH AVENUE

(SAID EAST LINE OF SOUTH WABASH AVENUE BEING THE WEST LINE OF BLOCK 27 IN CURLEY'S SUBDIVISION AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE AND THE NORTH LINE EXTENDED EAST OF SAID SOUTH 30 FEET OF LOT 19 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 12 FEET WIDE, LYING EAST OF AND ADJOINING SAID LOT 19;

THENCE SOUTH ALONG SAID NORTH AND SOUTH CENTERLINE TO THE CENTERLINE EXTENDED WEST OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY,

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG SAID CENTERLINE OF THE EAST AND WEST 25.8 FEET WIDE PUBLIC ALLEY, AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27;

THENCE SOUTH ALONG SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27;

THENCE EAST ALONG THE NORTH LINE OF LOT 6 IN SAID BLOCK 27 AND ALONG SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING ALSO THE WEST LINE OF BLOCK 26 IN SAID CURLEY'S SUBDIVISION);

THENCE SOUTH ALONG THE EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12 IN SAID BLOCK 26;

THENCE EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF THE SOUTH 25 FEET OF LOT 12 TO THE CENTERLINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 26,

THENCE NORTH ALONG SAID CENTERLINE TO THE WESTWARD EXTENSION OF THE NORTH LINE OF LOT 3 IN SAID BLOCK 26;

THENCE EAST ALONG SAID WESTWARD EXTENSION AND ALONG THE NORTH LINE OF SAID LOT 3 AND ALSO ALONG THE EASTWARD EXTENSION THEREOF, TO THE EAST LINE OF SOUTH INDIANA AVENUE (SAID EAST LINE OF SOUTH INDIANA AVENUE BEING ALSO THE WEST LINE OF BLOCK 25 IN SAID CURLEY'S SUBDIVISION);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID CURLEY'S SUBDIVISION;

THENCE EAST LONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25,

THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25;

THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 AND ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF SOUTH PRAIRIE AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN CURLEY'S SUBDIVISION, AFORESAID);

THENCE NORTH ALONG SAID EAST LINE OF SOUTH PRAIRIE AVENUE TO THE SOUTH LINE OF EAST 21ST STREET;

THENCE EAST ALONG THE SOUTH LINE OF EAST 21ST STREET AND ALONG THE EASTWARD EXTENSION THEREOF TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CALUMET AVENUE;

THENCE NORTH ALONG SAID EAST LINE OF SOUTH CALUMET AVENUE TO AN INTERSECTION WITH THE ORIGINAL WESTERLY RIGHT-OF-WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE NORTHWARDLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHEAST CORNER OF LOT 1 IN E.L. SHERMAN'S SUBDIVISION OF LOTS 4, 5 AND 6 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, AND ALONG SAID NORTH LINE EXTENDED WEST, A DISTANCE OF 186.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH PRAIRIE AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH PRAIRIE AVENUE, A DISTANCE OF 84.00 FEET MORE OR LESS, TO THE SOUTHEAST CORNER OF LOT 5 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO AFORESAID,

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 5 A DISTANCE OF 177 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH A LINE WHICH IS THE EAST LINE OF A 20 00 FOOT WIDE ALLEY;

THENCE NORTH ALONG SAID EAST LINE OF SAID ALLEY, A DISTANCE OF 92.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 16TH STREET;

THENCE WEST ALONG SAID THE SOUTH LINE OF EAST 16TH STREET, A DISTANCE OF 263 00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH INDIANA AVENUE;

THENCE NORTH ALONG SAID WEST LINE OF SOUTH INDIANA AVENUE, A DISTANCE OF 1407.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF EAST 14TH STREET;

THENCE WEST ALONG SAID SOUTH LINE OF EAST 14TH STREET, A DISTANCE OF 441.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE,

THENCE NORTH ALONG SAID WEST LINE OF SOUTH MICHIGAN AVENUE A DISTANCE OF 1459.00 FEET, MORE OR LESS, TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1 OF LOT 12 IN BLOCK 21 IN CANAL TRUSTEE'S SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 10.00 FEET OF SUBLOT 1, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE EAST LINE OF THE PUBLIC ALLEY, 20.00 FEET WIDE, IN SAID BLOCK 21;

THENCE NORTH ALONG SAID EAST LINE, A DISTANCE OF 350.00 FEET, MORE OR LESS TO THE SOUTH LINE OF ORIGINAL LOT 1 IN BLOCK 21 IN THE FRACTIONAL SECTION 15 ADDITION TO CHICAGO;

THENCE EAST ALONG SAID SOUTH LINE, A DISTANCE OF 171.00 FEET, MORE OR LESS, TO THE WEST LINE OF SOUTH MICHIGAN AVENUE;

THENCE NORTH ALONG SAID WEST LINE AND THE NORTHWARD EXTENSION THEREOF, A DISTANCE OF 146.00 FEET MORE OR LESS, TO THE POINT OF BEGINNING

### **3. REDEVELOPMENT PROJECT AREA GOALS AND POLICIES**

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and policies of the City for the Redevelopment Project Area. A later section of this Redevelopment Plan identifies the more specific program which the City plans to undertake in achieving the redevelopment goals and policies which have been identified.

#### **A General Goals**

- Provide infrastructure improvements within the Redevelopment Project Area
- encourage commercial and industrial development by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area
- Provide south economic development in the Redevelopment Project Area.

- Revitalize the Redevelopment Project Area to establish it as an important activity center contributing to the regional and national focus of the central business district.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties adjacent to the Redevelopment Project Area.
- Provide an increased sales tax basis for the City of Chicago, the State of Illinois and other taxing districts extending into the Redevelopment Project Area.

#### B. Policies

- Encourage a mixture of uses and scales of development that provide a transition from higher densities found in the Loop to the lower densities of the Near South Side.
- Expand the residential population of the Near South Side and encourage housing types that accommodate a diverse economic and social mix of residents.
- Provide better access between the South and Near South Sides and the downtown and lakefront through creation of better and more frequent east-west and north-south links.
- Extend the public features of Chicago's historic boulevard system along Michigan and Indiana Avenues.
- Accommodate the reconstruction of Lake Shore Drive as a two-way parkway on the west side of the Field Museum, with an ample landscape edge.
- Design an internal street network that is clear, direct, and easily accessible to the public.
- Design a street and block plan which integrates the Near South Side with the lakefront.
- Complete the south end of Grant Park
- Apply the policies of the Lakefront Plan of Chicago
- Provide formal open spaces that relate to Grant Park and Burnham Park and are connected by the pedestrian street network
- Provide sufficient parks and recreational areas related to the needs of new Near South Side residents.
- Promote a quality, attractive environment compatible with the museum complex in Burnham Park, provide greater access to Burnham Park from downtown and the community to the west, and enhance the park setting of the museums.
- Present active and appropriately designed edges to the communities on all sides, especially towards Grant Park, Lake Shore Drive, and Michigan Avenue.
- Respect the prominent architectural quality of the museum complex in Burnham Park and the Michigan Avenue streetwalls.
- Enhance the Prairie Avenue Historic District by improving the accessibility and image of the surrounding community and by creating connections between the District and the Burnham Park museum complex
- Protect and frame important views and vistas through the site.
- Encourage active, landscaped pedestrian-oriented streets.
- Encourage a predominant use of public transportation and improve public transportation services to the Central Station site and the surrounding community.
- Promote the development of a Central Area Transit Circulator system connecting the downtown with McCormick Place and the Museums
- Provide adequate facilities for circulation within and through the site for pedestrians, public transit, and private vehicles
- Promote development which employs the most efficient use of energy resources.
- Ensure provision of associated parks, open spaces and public facilities on a schedule

- coordinated with the pace of private development.
- Promote the design and construction of public infrastructure which encourages quality development.
- Give funding and scheduling priority to improvements which provide the greatest benefit to the general public.

***Amendment - April 1994***

Section 3, Redevelopment Project Area Goals and Policies, is amended to include the following additional policies.

- Maintain the Michigan Avenue "streetwall" by encouraging infill developments that are compatible with the architectural character and heights of existing structures.
- Encourage the rehabilitation or conversion of vacant buildings into residential, commercial and arts/cultural space within the Prairie Avenue area. Support the concept of the Arts District as a catalyst for future mixed-use developments.

**4. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

The Redevelopment Project Area includes improved areas and vacant areas as defined in the Act.

Within the improved portion of the area it must be demonstrated that because of the combination of five or more of the factors described in the Act, the area is detrimental to the public safety, health, morals or welfare. Based upon surveys, inspections and analysis of the area, the Redevelopment Project Area qualifies for designation as a "blighted area" as defined by the Act.

- Of the fourteen (14) factors set forth in the Act for improved areas, ten are present in the area

Within the vacant portion of the area it must be demonstrated that the sound growth of the taxing districts is impaired by at least one of the seven factors described in the Act.

- The vacant land area qualifies for designation as a "blighted area" on the basis that the area consists of unused railyards, rail tracks or railroad rights-of-way.

The factors present are reasonably distributed throughout the area.

All blocks within the area show the presence of blight factors.

The Redevelopment Project Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements

A separate report titled Central Station Area Redevelopment Project - TIF Area eligibility Report describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. The factors listed below and shown in Figure 2, Summary of Blight Factors, are present in the Redevelopment Project Area.

## **Improved Area Factors**

the improved area includes all of the blocks located west of Indiana Avenue and the railroad property currently operated by Metra and located along the eastern edge of the project area, adjacent to Lake Shore Drive.

1. **Age**  
Age as a factor is present to a major extent throughout the improved blocks. Of the 17 total buildings in the improved area, 16 (94 percent) are 35 years of age or older.
2. **Dilapidation**  
Dilapidation as a factor is present to a major extent in one block, and to a limited extent in one block. Dilapidation includes 4 buildings that are in a structurally sub-standard condition.
3. **Obsolescence**  
Obsolescence as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include obsolete buildings and obsolete platting. Eight buildings are characterized by obsolescence, of which 3 are vacant and 3 are partially vacant.
4. **Deterioration**  
Deterioration as a factor is present to a major extent throughout the improved area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas, and deteriorating alleys, street pavement, curbs, gutters, sidewalks and the Indiana Avenue viaduct. Thirteen of the 17 buildings are characterized by deterioration.
5. **Existence of Structures Below Minimum Code**  
Existence of structures below minimum code standards is present to a major extent in one block and to a limited extent in one block. Structures below minimum code include all structures in deteriorating or dilapidated condition which are below the City's code standards for existing buildings.
6. **Excessive Vacancies**  
Excessive vacancies as a factor is present to a major extent in one block and to a limited extent in one block. Three buildings contain vacant floors and 3 buildings are entirely vacant.
7. **Excessive Land Coverage**  
Excessive land coverage as a factor is present to a major extent in one block of the area. Conditions contributing to this factor include parcels where buildings cover more than sixty percent of their respective sites, restricting provisions for off-street parking, loading and service. A total of 12 building sites are impacted by this factor.
8. **Deleterious Land-Use or Layout**  
Deleterious land-use or layout is present to a major extent in two of the 3 blocks of the improved area. Conditions contributing to this factor include parcels of limited size. Twenty-six of the parcels within the Redevelopment Project Area exhibit this factor.

9. **Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present to a major extent throughout the improved area. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements including streets, alleys, walks, curbs, gutters and one viaduct.

10. **Lack of Community**

Lack of community planning is present to a major extent throughout the improved area. Conditions contributing to this factor include incompatible land-use relationships, parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building setbacks, off-street parking and loading.

**Vacant Area Factors**

The vacant land area is located east of Indiana Avenue from 11th Place to approximately 16th Street, and west of the railroad property used for the Illinois Central METRA commuter service. This vacant area consists of unused railyards, rail tracks or railroad rights-of-way. It is the former location of active rail lines and numerous railroad-related uses, including an office building, passenger terminal, train sheds, round houses, machine shops, baggage room, power house and miscellaneous support buildings. All of the buildings and tracks have been abandoned and the buildings demolished.

***Amendment - April 1994***

Section 4, Blighted Area Conditions Existing in the Redevelopment Project Area, is amended to add the following description of blighted conditions in the Amended Area:

The purpose of this section is to describe the conditions that exist within the Amended Area which qualify the Amended Area for designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (The "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74-4.1 et. seq., as amended.

A report entitled Tax Increment Redevelopment Project Eligibility Report for the Central Station Area was prepared for the City of Chicago in July, 1990 by Trkla, Pettigrew, Allen & Payne, Inc. Studies and analyses completed in 1990, and documented as part of the Eligibility Report, provided the basis for a finding by the City of Chicago that the Original Redevelopment Project Area of approximately 127 acres qualified for designation as a "blighted area" as defined in the Act.

The Amended Area contains approximately 248.4 acres, including approximately 92.6 acres of street and alley rights-of-way, and approximately 155.9 acres of parcels within 38 blocks located in the Amended area. The Amended Area is located immediately west of the Original Redevelopment Project Area, and is generally bounded on the north by Congress Parkway, on the south by 21st Street, on the west by State Street, and on the east by Michigan Avenue (between Congress Parkway and 14th Street), Indiana Avenue (between 14th and 16th Streets), and the Illinois Central Railroad right-of-way (between 16th and Fullerton Streets).

The Amended Area is an improved area for the purpose of determining eligibility as defined in the Act. Within an improved area it must be demonstrated that because of the combination of five or



more of the factors described in the Act, the area is detrimental to the public safety, health, morals, or welfare.

While it may be concluded that the mere presence of the minimum number of stated factors is sufficient to make a finding of blight, the following evaluation was made on the basis that the blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of blighting factors throughout the study area must be reasonable so that basically good areas are not arbitrarily found to be blighted simply because of their proximity to areas which are blighted.

On the basis of this approach, all or any part of the Amended area is found to be eligible within the definition set forth in the Act, specifically:

- Of the fourteen factors set forth in the Act for improved areas, ten are present in the Amended Area
- The blight factors which are present are reasonably distributed throughout the Amended Area
- All blocks within the Amended Area show the presence of blight factors.
- The Amended Area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The blight factors present in the Amended Area are indicated below. It should be noted that the definitions of blight factors listed below are the same as set forth in the Central Station Tax Increment Redevelopment Project Eligibility Report prepared in July 1990 by TPAP for the purpose of determining the eligibility of the Original Redevelopment Project Area

The following blighting factors are present in the Amended Area.

- 1 **Age**  
Age as a factor is present to a major extent. Fifty percent or more of the buildings are 35 years of age or older in 34 of the 38 blocks that comprise the Amended Area
- 2 **Dilapidation**  
Dilapidation is present to a limited extent. Of 297 buildings within the Amended Area, 25 or 8.4 percent are dilapidated
- 3 **Obsolescence**  
Obsolescence as a factor is present to a major extent. Characteristics include obsolete platting, obsolete parcels and obsolete buildings
- 4 **Deterioration**  
Deterioration as a factor is present to a major extent throughout the Amended Area. Contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas, and deteriorating street surfaces, curbs, gutters and alleys. Of the total 297 buildings, 213, or 72 percent, evidence varying degrees of deterioration

5. **Existence of Structures Below Minimum Code**  
Existence of structures below minimum code standards is present to a moderate extent. Advanced defects in thirty percent of the buildings are below the City's maintenance and other codes for existing building
6. **Excessive Vacancies**  
Excessive vacancies as a factor is present to a major extent in twenty-one blocks and to a moderate extent in eleven of the thirty-eight blocks.
7. **Excess Land Coverage**  
Excessive land coverage is present to a major extent affecting close to 79 percent of the buildings within the Amended Area.
8. **Deleterious Land-Use or Layout**  
Deleterious land-use or layout is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of limited narrow size, parcels of irregular shape and incompatible uses.
9. **Depreciation of Physical Maintenance**  
Depreciation of physical maintenance is present to a major extent. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and surface storage areas, and site improvements, including streets, alleys, curbs and sidewalks
10. **Lack of Community Planning**  
Lack of community planning is present to a major extent throughout the Amended Area. Conditions contributing to this factor include parcels of inadequate size or irregular shape for contemporary development in accordance with current day needs and standards, the existence of incompatible or mixed land-uses and the lack of reasonable development controls for building setbacks and off-street parking. Additionally, the Amended Area developed without the benefit of community planning guidelines and standards

Figure 2, *Distribution of Blight Factors by Block*, is revised to include the Amended Area.

The analysis above is based upon data assembled by representatives of the City and surveys and analyses conducted by Trkla, Pettigrew, Allen & Payne, Inc. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships,
4. comparison of current land use to current zoning ordinance and the current zoning map,
5. Comparison of surveyed buildings to property maintenance and other codes of the City,
6. Analysis of original and current platting and building size and layout;
7. Analysis of building floor area and site coverage; and
8. Review of previously prepared plans, studies and data.

## 5. NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT

This section presents the overall program to be undertaken by the City of Chicago or by private developers acting under redevelopment agreements with the City. It includes a description of redevelopment plan and project objectives, a description of redevelopment activities, a general land-use plan, estimated redevelopment project costs, a description of sources of funds to pay redevelopment project costs, a description of obligations that may be issued, identification of the most recent equalized assessed valuation of properties in the Redevelopment Project Area, and an estimate of anticipated equalized assessed valuation.

In the event the City determines that implementation of certain activities or improvements is not feasible, the City may reduce the scope of the overall program and Redevelopment Project.

### Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this Redevelopment Plan, Blighted Area Conditions Existing in the Redevelopment Project Area, describes existing blighting conditions.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourage high standards of design
- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.
- Provide needed incentives to encourage a broad range of improvements in both rehabilitation and new development efforts
- Encourage the participation of minorities and women in professional and investment opportunities involved in the development of the Redevelopment Project Area
- Implement and achieve the Redevelopment Project Area Goals and Policies as set forth in Section 3 of this Redevelopment Plan

## **Redevelopment Plan and Project Activities**

The City proposes to achieve its redevelopment goals, policies and objectives for the Redevelopment Project through public financing techniques including tax increment financing and by undertaking some or all of the following actions:

### **1. Property Acquisition, Site Preparation, Demolition and Relocation**

Property acquisition and land assembly by private sector for redevelopment in accordance with this Redevelopment Plan will be encouraged. To achieve the renewal of the Redevelopment Project Area, property identified in Development Program. Figure 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the goals, policies or objectives of this Redevelopment Plan property may be acquired where: a) the current use of the property is not permitted under this Redevelopment Plan; b) the exclusion of the property from acquisition would have a detrimental effect on the disposition and development of adjacent and nearby property; or c) the owner or owners are unwilling or unable to conform the property to the land-use and development objectives of this Redevelopment Plan. Further, the City may require written redevelopment agreements with developers before acquiring any properties.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.

Active businesses and other occupants that are displaced by the public acquisition of property will be relocated and may be provided with assistance payments and advisory services.

As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

Acquisition activities include acquisition of property (1) to accommodate the realignment of Lake Shore Drive and to make improvements to other thoroughfares (2) to permit the more efficient construction of infrastructure over the METRA tracks, (3) to provide a site for a district heating/cooling plant, if appropriate, and (4) to provide for additional property acquisition in support of private development proposals. Further, demolition of structures (including railroad structures) and protection/relocation of existing utilities and freight tunnels is contemplated. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

### **2. Provision of Public Improvements**

Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to the following:

**a Roadways, and Related Improvements**

A range of individual roadway improvement projects from repair and resurfacing through construction of new roads on structures in air rights will be undertaken. Public sewers, water lines, and City electrical services for lighting and signals are to be upgraded or installed new in each improved roadway segment as needed. The complexities and constraints associated with roadway construction in air rights over an operating railroad have been taken into account in estimating costs. The principal roadways affected are Columbus Drive, Roosevelt Road, Indiana Avenue, 13th Street, 14th Street, 15 Street, as well as segments of other street. Virtually all of these improvements are anticipated in the Central Station Guidelines.

**b Special Utility Improvement**

Construction of a substantial storm sewer is planned for a 16th Street alignment to extend from Lake Shore Drive west through the Redevelopment Project Area to the Chicago river. This sewer will provide relief to the combined sewer system serving the area, reduce or eliminate flooding in the area, and will have capacity to drain storm water on Lake Shore Drive in the vicinity of the Redevelopment Project Area.

**c Parks and Open Space**

Construction of both parks and open spaces will be undertaken. McFetridge Park at 14th/Indiana, and a portion of the addition to Grant Park on the north side of Roosevelt will be built. These improvements are anticipated in the Central Station Guidelines.

**3 Job Training and Related Educational Programs**

Separate or combined programs designed to increase the skills of the labor force to take advantage of the employment opportunities within the Redevelopment Project Area will be implemented. This will be particularly important in conjunction with development of international trade operations and related services.

**4 Analysis, Administration, Studies, Surveys, Legal, et al.**

Activities include the long-term management of the TIF Program as well as the costs of establishing the Program and designing its components.

**5 Redevelopment Agreements**

Land assemblage which may be by purchase, exchange, donation, lease, or eminent domain shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in this Redevelopment Plan

***Amendment - April 1994***

Redevelopment Plan and Project Activities continued in Section 5 is amended to add the following:

Redevelopment Project and Plan activities are expanded to include: resurfacing or reconstruction of all existing street pavement which is currently in a deteriorating condition; repair or reconstruction of all deteriorating curbs and gutters, replacement or reconstruction of sidewalks as part of a comprehensive streetscape/pedestrian walkway system for major parts of the amended area; coordination and implementation of transit station and structure improvements with other public and private improvement projects, rehabilitation of existing buildings, and allowance for interest cost incurred by redevelopers as provided for in the Act.

Figure 3, Development Program, is revised to illustrate the range of actions and improvements proposed for the Amended Area.

**General Land-Use Plan**

***Amendment - April 1994***

The General Land-Use Plan contained in Section 5 is amended to include the following maps, and revised and added statements:

Figure 4, Land-Use Plan, contained in the Original Redevelopment Project and Plan is revised to include two figures: Figure 4A, Land-Use Plan, and Figure 4B, Sub Area Land-Use Plan.

Figure 4A, Land-Use Plan, identifies the major land-use category to be in effect upon adoption of this amended Redevelopment Project and Plan, which is Mixed-Use. The Mixed-Use category includes the provision for commercial, residential, retail, institutional, exhibition, parking and related uses. Also shown in 4A are the locations of major thoroughfares and street rights-of-way, the locations of which are subject to modification by the City.

Figure 4B, Sub Area Land-Use Plan, illustrates the recommended predominant use for the nine subareas identified, and provides a guide for future land-use developments and related improvements within the Redevelopment Project Area. Described below are the predominant uses to be included in each subarea.

**Subarea 1**

Subarea 1 should continue to accommodate office, institutional, retail and service uses which characterize the adjacent Loop area to the north. Restaurants, professional theaters and related business and service uses are encouraged to support existing uses in subareas 2 and 3.

**Subarea 2**

The predominant use of this subarea should remain hotel and institutional. The City should encourage continued business and institutional uses such as the Chicago Hilton and Towers, the Spertus Museum, Columbia College and Blackstone Theater. Redevelopment should respect the historic character of the Michigan Avenue streetwall.

### **Subarea 3**

The predominant use of this subarea should be residential with accessory retail. This subarea should allow for high-density residential buildings consistent with recently constructed and rehabilitated buildings such as 2 East 8th, Burnham Plaza and 1130 South Michigan. Within this subarea, new development along Michigan Avenue should respect the historic character of the Michigan Avenue streetwall

### **Subarea 4**

Community shopping uses (grocery store, drug store, etc.) should be encouraged in subarea 4 to serve the expanding neighborhoods of Dearborn Park I and II, Central Station and various free-standing and converted loft residential buildings. Development should be centered near the intersection of State Street and Roosevelt Road, the CTA subway and elevated stations, and the proposed Central Area Circulator station. Convenience businesses to serve foot traffic from the transit stations should also be encouraged.

### **Subarea 5**

Residential development that is compatible, in density, with the Dearborn Park II neighborhood located across State Street should be encouraged in subarea 5. Neighborhood retail and business uses should be encouraged on ground floors of residential structures.

### **Subarea 6**

Land should be assembled in underutilized blocks for the development of a range of housing types, rental and sales, in a mixed-density, economically integrated environment. Large scale developments should be approved as planned developments and provide for off-street parking, recreational facilities and other supporting amenities. Residential development within this area should link the Dearborn Park and Central Station neighborhoods. A continuous east-west pedestrian walkway should be provided from the Chicago River to the lakefront

### **Subarea 7**

Commercial services, including wholesale and retail trades, should be located along State Street, north of Cermak.

### **Subarea 8**

Business, residential and cultural uses that are compatible with, support and enhance the existing Prairie Avenue Historic District and the proposed Arts District should be encouraged in Subarea 8. Rehabilitation of existing buildings and redevelopment of vacant sites in the Arts District should be encouraged for business and housing uses, as well as support services, art spaces, public open spaces and community facilities.

### **Subarea 9**

Hotel, restaurant and service uses should be encouraged in subarea 9, as well as other businesses that are compatible with the expanding McCormick Place.

Similar and compatible uses as determined by the City of Chicago Department of Planning and Development should be encouraged within each subarea.

### **Estimated Redevelopment Project Costs**

#### **Amendment - April 1994**

Estimated Redevelopment Project Costs contained in Section 5 is amended to read as follows:

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment 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 including but not limited to staff and professional services costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;
- 2 Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- 3 Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
- 4 Costs of the construction of public works or improvements;
- 5 Costs of job training and retraining projects;
- 6 Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- 7 All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
- 8 Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law,
9. Payment in lieu of taxes as defined in the Act
- 10 Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education



programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number 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 Section 3-37, 3-38, 3-40 and 3-40 1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22 20a and 10-23.3a of the School Code;

11. Interest cost 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 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - d. the total of such interest payments incurred pursuant to this Act may not exceed 30 percent of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to this Act or such greater amount as may be hereinafter authorized by law, including by P A 86-1398

A range of activities and improvements will be required to implement the Redevelopment Project. The necessary improvements and their costs are shown in Table 1, Estimated Redevelopment Project Costs. To the extent that the City has incurred costs or municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed from real estate tax increment revenues for such redevelopment costs. The total Redevelopment Project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items, including provision for capitalized interest and other cost of financing associated with the issuance of obligations, without amendment of this Redevelopment Plan. Additional funding in the form of State and Federal grants, and private development contributions will be pursued by the City as means of financing improvements and facilities which are of a general community benefit.

**Table 1  
ESTIMATED REDEVELOPMENT PROJECT COSTS  
NEAR SOUTH REDEVELOPMENT PROGRAM**

<b>Program Action/Improvement (in \$1,000's)</b>	<b>Initial Project Costs</b>	<b>Additional Project Costs</b>	<b>Total Project Costs</b>
Property acquisition, Site Preparation, Demolition, Relocation	\$ 3,300	\$ 6,000	\$ 9,300
Rehabilitation of Existing Buildings	N.A.	21,000	21,000
Roadways and Related Improvements	27,600	7,000	34,600
Utility Improvements	6,500	3,000	9,500
Parks and Open Space	1,800	2,000	3,800
Transit Improvements	N A	9,500	9,500
Interest Cost Incurred by Redevelopers	N A	10,000	10,000
Job training and Related Education Programs	500	750	1,250
Analysis, Administration, Studies, Surveys, Legal, et al	300	400	700
Contingency	N.A.	6,000	6,000
<b>GROSS PROJECT COST<sup>1</sup></b>	<b>\$ 40,000</b>	<b>\$ 65,650</b>	<b>\$ 105,650</b>

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<sup>1</sup>Gross Project Costs excludes financing costs, including interest expense, capitalized interest, and costs associated with issuing bonds and optional redemptions. Estimated Gross Project Costs are based on 1993 dollars, and are subject to prevailing market conditions at the time they are undertaken.

## **Sources of Funds to Pay Redevelopment Project Costs**

### **Amendment - April 1994**

Sources of Funds to Pay Redevelopment Project Costs contained in Section 5 is amended to read as follows:

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

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

### **Issuance of Obligations**

#### **Amendment - April 1994**

Issuance of Obligations contained in Section 5 is amended to read as follows:

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74, 4-7 of the Act

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2013. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more time in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. obligations issued may be serial or term maturities, and may or may not be subject to mandatory sinking fund redemptions.

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

## **Most Recent equalized Assessed Valuation of Properties in the Redevelopment Project Area**

### **Amendment - April 1994**

Most Recent Equalized Assessed Valuation of Properties in the redevelopment Project Area in Section 5 is amended to read as follows:

The purpose of identifying the most recent EAV of properties in the Redevelopment Project Area is to provide an estimate of the Initial EAV which the County Clerk will certify for the purpose of calculating incremental EAV and incremental property taxes. In the case of the Central Station Area Tax Increment Financing Redevelopment Project and Plan, there is an Initial EAV (using 1989 EAV) for the area as originally adopted on November 28, 1990, and a second Initial EAV (using 1992 EAV) for the area to be amended into the Central Station Area Tax Increment Financing Redevelopment Project and Plan.

Table 2, Summary of Initial EAV by Block, summarizes the initial equalized assessed valuations of blocks within the Original Area and Amended Area. The EAV summary for the Original Area has since been Certified as the Initial Equalized Assessed Valuation by the Cook County Clerk on August 12, 1991, and is \$3,223,423.

The initial EAV summarized in Table 2 for the Amended Area serves as the estimated initial equalized assessed valuations of blocks within the Amended Area as of April 1994. The total initial EAV for the Amended Area is estimated at \$124,791,988, and assumes this amendment to the Redevelopment Plan and Project will occur before the 1993 state equalization factor is issued, which is sometime in June or July 1994. In the event the amendment is adopted after the 1993 state equalization factor is issued, then the 1993 assessed valuations and 1993 state equalization factor will be used by the County to determine the Initial EAV for the Amended Area. Additionally, this Certified Initial EAV is issued by the Cook County Clerk's Office.

The total certified initial EAV for the entire Redevelopment Project Area is estimated at \$128,015,411.

**TABLE 2  
SUMMARY OF INITIAL EAV BY BLOCK  
NEAR SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA**

BLOCK NUMBER	[1] ORIGINAL PROJECT AREA	[2] AMENDED PROJECT AREA	ENTIRE PROJECT AREA
17-15-110		\$10,087,753	\$10,087,753
111		\$8,807,434	\$8,807,434
17-15-112	\$0 *		\$0 *
300		\$2,459,481	\$2,459,481
301		\$7,995,577	\$7,995,577
302		\$2,166,319	\$2,166,319
304		\$5,836,194	\$5,836,194
305		\$10,264,638	\$10,264,638
306		\$4,401,836	\$4,401,836
307		\$3,237,637	\$3,237,637
308		\$3,696,048	\$3,696,048
309		\$3,819,510	\$3,819,510
17-15-310	\$0 *		\$0 *
17-15-501	\$0 *		\$0 *
17-16-247		\$1,575,316	\$1,575,316
17-22-100		\$1,415,713	\$1,415,713
101		\$7,599,167	\$7,599,167
17-22-102	\$1,236,479		\$1,236,479
103		\$749,770	\$749,770
104		\$2,732,826	\$2,732,826
17-22-105	\$1,959,440		\$1,959,440
106		\$2,964,749	\$2,964,749
107		\$3,470,369	\$3,470,369
108		\$5,136,042	\$5,136,042
17-22-109	\$10,233		\$10,233
17-22-110	\$0 *		\$0 *
300		\$1,235,667	\$1,235,667
301		\$5,094,929	\$5,094,929
302		\$2,960,436	\$2,960,436
303	\$17,271	\$2,289,881	\$2,307,152
304	\$0 *	\$3,127,719	\$3,127,719 *
305		\$1,281,389	\$1,281,389
306		\$1,110,498	\$1,110,498
307		\$1,742,271	\$1,742,271
308		\$1,142,846	\$1,142,846
309		\$1,676,355	\$1,676,355
310		\$35,368	\$35,368
311		\$1,374,860	\$1,374,860
312		\$3,224,898	\$3,224,898
313		\$3,730,428	\$3,730,428
314		\$1,038,422	\$1,038,422
315		\$1,027,610	\$1,027,610
317		\$68,567	\$68,567
318		\$1,162,295	\$1,162,295
319		\$2,674,962	\$2,674,962
320		\$376,209	\$376,209
500		\$0 *	\$0 *
501	\$0 *	\$0 *	\$0 *
17-27-205	\$0 *		\$0 *
<b>TOTAL</b>	<b>\$3,223,423</b>	<b>\$124,791,988</b>	<b>\$128,015,411</b>

\* Contains exempt and or railroad properties

1 Based on 1989 EAV

2 Based on 1992 EAV, and is subject to final verification and certification by the County Clerk following the adoption of the ordinances to add the Amended Area to the Redevelopment Project Area.

TRKLA, PETTIGREW, ALLEN & PAYNE, INC.  
May 24, 1994

## **Anticipated Equalized Assessed Valuation**

### **Amendment - April 1994**

Anticipated Equalized Assessed Valuation in Section 5 is amended to read as follows:

By the year 2005, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$530,000,000. This estimate is based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended residential and commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Plan; and 3) the average State Multiplier for the five year period 1988 through 1992 of 1.9953 will apply to future assessed values.

### **6. CONFORMITY OF THE REDEVELOPMENT PLAN TO THE COMPREHENSIVE PLAN FOR DEVELOPMENT OF THE CITY OF CHICAGO AS A WHOLE**

The Redevelopment Plan and the Redevelopment Project conform to the comprehensive plan for development of the City of Chicago as a whole. Further, the Redevelopment Plan and Redevelopment Project are consistent with, and are established pursuant to implementation of, general municipal development objectives and policies contained in development plans previously adopted and/or considered by the City of Chicago, including, among others, the following.

1. "An Ordinance For the Establishment of Harbor District Number Three; the Construction by the Illinois Central Railroad Company of a New Passenger Station, Electrification of Certain of the Lines of the Illinois Central and Michigan Central Railroad Companies Within the City; and the Development of the Lake Front" passed by the City Council of the City of Chicago in 1919, as amended,
2. The Comprehensive Plan of Chicago of 1966;
3. The Guidelines for Development, I C Air Rights – 11th Place to 31st Street of 1972,
4. The Lakefront Plan of Chicago of 1973,
5. The Lake Michigan and Chicago Lakefront Protection Ordinance of 1973;
6. Chicago 21<sup>st</sup> a Plan for the Central Area Committees of 1973,
7. Chicago Central Area Plan of 1983;
8. The Near South Development Plan of 1986,
9. The Central Station Guidelines, and
10. The Central Station Plan of Development

## **7. PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT**

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

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

## **8. PROVISIONS FOR AMENDING THIS REDEVELOPMENT**

This Near South Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

## **9. AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to the Near South Tax Increment Redevelopment Plan and Project:

- A the assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- B This commitment to affirmative action will ensure that all members of the protected groups, are sought out to compete for all job openings and promotional opportunities.

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

## **10. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE**

As described in Section 4 of this Redevelopment Project and Plan report, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous blighting factors, and these factors are reasonably distributed throughout the area. The redevelopment project area on the whole has not been subject to growth and development through investment by a limited and scattered basis. However, no major large-scale projects have been initiated in over ten years. The lack of private investment is evidenced by the continued existence of blight and the limited number of new development projects undertaken on a planned development basis

The private investment that has occurred in the near south side in general, but not in the redevelopment area, has occurred with substantial public assistance. Projects such as Dearborn Park, Printers Row, McCormick Place and the original Central Station have all been subsidized with local, state or federal assistance

Thus, it is clear that private investment in revitalization and redevelopment has not occurred on a comprehensive basis or in a timely manner to overcome the blighting conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Project and Plan, and the adoption of tax increment financing.

## 11. FINANCIAL IMPACT OF THE REDEVELOPMENT PROJECT

Without the adoption of this Redevelopment Project and Plan, and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that blighted conditions will continue to exist and spread, and the area on the whole will become less attractive for the maintenance and improvement of existing buildings and sites. The possibility of the erosion of the assessed value of property which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment could lead to a reduction of real estate tax revenue to all taxing districts.

Section 5 of this Redevelopment Project and Plan describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The redevelopment program will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment projects and activities set forth in this Plan. If the Redevelopment Project is successful, it is anticipated that the Rehabilitation and expansion of existing buildings and new development resulting there from will be instrumental in alleviating blighted conditions and restoring the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term financial impacts on the taxing districts affected by the Redevelopment Plan. During the period when tax increment financing is utilized, real estate tax revenues resulting from increases in EAV over and above the certified initial EAV established at the time of this Redevelopment Project and Plan will be used to pay redevelopment project costs in the area. At the end of such period, the real estate tax revenues attributable to the increase in EAV over the certified initial EAV will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

## 12. DEMAND ON TAXING DISTRICT SERVICES

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

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

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

=



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

**Chicago Community College District 508.** The 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 of Chicago and other students seeking higher education programs and services.

**Board of Education.** General responsibilities of the Board include the provision, maintenance and operations of educational facilities, and the provision of educational services primarily for kindergarten through twelfth grade.

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

**Chicago School Finance Authority.** The Authority was created in 1980 to exercise oversight and control over the financial affairs of the Board of Education.

**City of Chicago** The City is responsible for the provision of the full range of municipal services typically associated with large, mature cities, including: police and fire protection, capital improvements and maintenance, water production and distribution, sanitation service, building, housing and zoning codes, etc

In addition to the major taxing districts summarized above, the following special taxing districts have taxing jurisdiction over the Redevelopment Project Area; the Chicago Library Fund, Chicago Urban Transportation District, and Special Service Area Number 12 (SSA #12) The Chicago Library Fund (formerly a separate taxing district from the City) and the Chicago Urban Transportation District no longer extend tax levies, but continue to exist for the purpose of receiving delinquent taxes In 1991, the City established SSA #12 in connection with the Central Station Area Circulator. Certain properties located within the Redevelopment Project Area are also located with SSA #12 Taxes for SSA #12 are levied on non-residential properties located within its taxing jurisdiction to pay for a portion of the anticipated cost of the construction and operation of the Central Area Circulator.

Non-residential development, such as retail, commercial service, office, hotel, public and institutional uses, should not cause increased demand for services or capital improvements on any of the taxing districts named above except for the Water Reclamation District Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the Water Reclamation District However, it is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Water Reclamation District.

Residential development may cause increased demand for services or capital improvements to be provided by the Board of Education, Community college District 508, Chicago Park District, and City New private investment in residential and non-residential development, and public investment in infrastructure improvements may increase the demand for public services or capital improvements provided by the City of Chicago and the Chicago Park District within an adjacent to the Redevelopment Project Area. These public services or capital improvements may include but are not necessarily limited to, the provision of additional open spaces and recreational facilities by the Chicago Park District However, it is not possible

at this time to predict, with any degree of reliability, (i) the number or timing of new or rehabilitated residential buildings that may be added within the Redevelopment Project Area, or (ii) the increased level of demand for services or capital improvements to be provided by any taxing district as a result therefrom

If successful, the implementation of the Redevelopment Project may enhance the values of properties within and adjacent to the Redevelopment Project Area.

### **13. PROGRAM TO ADDRESS FINANCIAL AND SERVICE IMPACTS**

As described more fully in the previous sections, because the scale and mix of development in the Area cannot be predicted with certainty as of the date of this Redevelopment Project and Plan, the scope of the financial impact on taxing districts and increase in the demand for services provided by those districts cannot be quantified at this time. As a result, the City has not developed, at present, a specific plan to address such financial impact or increased demand.

However, as described more fully under Redevelopment Project and Plan Activities—Provision of Public Improvements in Section 5 of this Redevelopment Project and Plan, the City plans to provide public improvements and facilities to service the Redevelopment Project Area. Such improvements may mitigate some of the additional service and capital improvement demands placed on taxing districts as a result of the implementation of this Redevelopment Project and Plan.

*Draft*

EXHIBIT E

# Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

## AIA Document A101 - Electronic Format

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES. CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION. AUTHENTICATION OF THIS ELECTRONICALLY DRAFTED AIA DOCUMENT MAY BE MADE BY USING AIA DOCUMENT D401.

The 1987 Edition of AIA Document A201, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified. This document has been approved and endorsed by The Associated General Contractors of America.

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### AGREEMENT

made as of the 22nd day of June in the year of Nineteen-Hundred-and Two Thousand

#### BETWEEN the Owner:

*(Name and address)*  
ALBERTSON'S, INC.  
250 Parkcenter Blvd.  
Boise, Idaho 83706

#### and the Contractor:

*(Name and address)*  
Osman Construction Corp.  
70 West Sengens Road  
Arlington Heights, IL 60005

#### The Project is:

*(Name and location)*  
Jewel/Osco #3345  
SWC Roosevelt & Wabash  
Chicago, IL

#### The Architect is:

*(Name and address)*  
Cumburns & Theodore, Ltd  
2454 East Dempster Street, Ste. 202  
Des Plaines, IL 60016

The Owner and Contractor agree as set forth below.

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**ARTICLE 1  
THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supercedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 9.

**ARTICLE 2  
THE WORK OF THIS CONTRACT**

The Contractor shall execute the entire Work described in the Contract Documents, ~~except to the extent specifically indicated in the Contract Documents to be the responsibility of others or as follows:~~

**ARTICLE 3  
DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

3.1 The date of commencement is the date from which the Contract Time of Paragraph 3.2 is measured, and shall be the date of this Agreement, as first written above, 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.)*

Unless the date of commencement is established by a notice to proceed issued by the Owner, the Contractor shall notify the Owner in writing not less than five days before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

3.2 The Contractor shall achieve Substantial Completion of the entire Work not later than *(Insert the calendar date or number of calendar days after the date of commencement. Also insert any requirements for earlier Substantial Completion of certain portions of the Work, if not stated elsewhere in the Contract Documents.)*

, subject to adjustments of this Contract Time as provided in the Contract Documents. *(Insert provisions, if any, for liquidated damages relating to failure to complete on time.)*

**ARTICLE 4  
CONTRACT SUM**

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of **AND NO/100Dollars (\$ .00)**, subject to additions and deductions as provided in the Contract Documents.

4.2 The Contract 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 decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date until which that amount is valid.)*

4.3 Unit prices, if any, are as follows:

**ARTICLE 5  
PROGRESS PAYMENTS**

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

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

5.3 Provided an Application for Payment is received by the Architect Owner not later than the twenty-fifth (25th) day of a month, the Owner shall make payment to the Contractor not later than the twenty-fifth (25th) day of the following month. If an Application for Payment is received by the Architect Owner after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Architect Owner receives the Application for Payment.

5.4 Each Application for Payment shall be based upon the Schedule of Values submitted by the Contractor in accordance with the Contract Documents. 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 Owner may require. This schedule, unless objected to by the Architect Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

5.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

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

5.6.1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the total Contract Sum allocated to that portion of the Work in the Schedule of Values, less retainage of ten percent ( 10 %) - Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute may be included as provided in Subparagraph 7.3.7 of the General Conditions even though the Contract Sum has not yet been adjusted by Change Order;

5.6.2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of ten percent ( 10 %);

5.6.3 Subtract the aggregate of previous payments made by the Owner; and

5.6.4 Subtract amounts, if any, for which the Architect Owner has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of the General Conditions.

5.7 The progress payment amount determined in accordance with Paragraph 5.6 shall be further modified under the following circumstances: each application for a progress payment must include documentation required by the Redevelopment Agreement for the work/contractor (s) to be paid pursuant thereto.

5.7.1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to ninety percent ( 90 %) of the Contract Sum, less such amounts as the Architect Owner shall determine for incomplete Work and unverified claims; and

5.7.2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Subparagraph 9.10.3 of the General Conditions.

5.8 Reduction or limitation of retainage, if any, shall be as follows:

*(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Subparagraphs 5.6.1 and 5.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)*

---

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**ARTICLE 6  
FINAL PAYMENT**

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor except for the Contractor's responsibility to correct nonconforming Work as provided in Subparagraph 12.2.2 of the General Conditions and to satisfy other requirements, if any, which necessarily survive final payment; and (2) a final Certificate for Payment has been issued by the Architect-Owner; such final payment shall be made by the Owner not more than 30 days after the issuance of the Architect-Owner's final Certificate for Payment, as follows:

Final payment must include documentation required by the Redevelopment Agreement for the work/contractor (s) to be paid pursuant thereto.

**ARTICLE 7  
MISCELLANEOUS PROVISIONS**

7.1 Where reference is made in this Agreement to a provision of the General Conditions or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

7.2 ~~Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located--~~  
(Insert rate of interest agreed upon, if any.)  
N/A

*(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)*

7.3 Other provisions:  
N/A

**ARTICLE 8  
TERMINATION OR SUSPENSION**

8.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of the General Conditions.

8.2 The Work may be suspended by the Owner as provided in Article 14 of the General Conditions.

**ARTICLE 9  
ENUMERATION OF CONTRACT DOCUMENTS**

9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

9.1.1 The Agreement is this executed Standard Form of Agreement Between Owner and Contractor, AIA Document A101, 1987 Edition.

9.1.2 The General Conditions are the General Conditions of the Contract for Construction, AIA Document A201, 1987 Edition.

9.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Title	Pages
3/30/00	Project Manual Including Specifications	N/A

9.1.4 The Specifications are those contained in the Project Manual dated as in Subparagraph 9.1.3, and are as follows:  
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Document Specification	Title	Pages
	Division 1-16	0000 thru 16800-1

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9.1.5 The Drawings are as follows, and are dated unless a different date is shown below:  
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Date	Pages
--------	------	-------

9.1.6 The addenda, if any, are as follows:

Number	Date	Pages
1	04/28/00	
2	05/01/00	
3	05/08/00	
4		

Contractor acknowledges that the project contemplated by the Work is subject to that certain Near South Redevelopment Agreement (the "Redevelopment Agreement") by and between the City of Chicago and Owner's affiliate, American Stores Properties, Inc., a copy of which has been received by Contractor. Contractor further acknowledges that this Agreement is subject to the applicable terms of the Redevelopment Agreement, and Contractor covenants to comply with such terms and to require compliance by all subcontractors, Suppliers and Materialmen engaged by it. Contractor further agrees to coordinate with Owner to permit the timely and full satisfaction of the requirement of the Redevelopment Agreement.

Portions of addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

9.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents which are intended to form part of the Contract Documents. The General Conditions provide that Bidding requirements such as advertisement or invitation to bid, instructions to bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

That certain Near South Redevelopment Agreement attached hereto as Exhibit " "

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER

CONTRACTOR

(Signature)

(Signature)

ALBERTSON'S INC., a Delaware corp.  
William H. Arnold, VP, Real Estate Law  
(Printed name and title)

Ozman Construction Corp.  
(Printed name and title)

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EXHIBIT G

Roosevelt & Wabash - City of Chicago Parcels

PARCEL 1:

THE WEST 1/2 OF BLOCK 3 IN ASSESSORS DIVISION OF PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, (EXCEPTING FROM SAID PARCEL THAT PART DESCRIBED AS FOLLOWS:

THAT PART FALLING WITHIN 12 TH STREET (ALSO KNOWN AS ROOSEVELT ROAD)

PARCEL 2:

LOT 1 IN SEAMANS SUBDIVISION OF BLOCK 5 OF THE WEST HALF OF BLOCK 4 AND THE WEST 148 FEET OF BLOCK 6 OF ASSESSORS DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN

PARCEL 3: INTENTIONALLY DELETED

PARCEL 4:

LOT 2 (EXCEPT THE WEST 30 FEET THEREOF AND EXCEPT THAT PART CONDEMNED FOR WIDENING 12TH STREET) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN

ALSO

LOT 3 (EXCEPT THAT PART THEREOF FALLING IN ALLEY AND EXCEPT THAT PART THEREOF FALLING IN THE RIGHT OF WAY OF THE CHICAGO TRANSIT AUTHORITY) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

PARCEL 5:

LOTS 4 AND 5, (EXCEPT THE WEST 32 FEET THEREOF) AND LOT 6, (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS



EXHIBIT C

Roosevelt & Wabash - City of Chicago Parcels

PARCEL 6:

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED BY COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF ROOSEVELT ROAD WITH THE EAST LINE OF STATE STREET; THENCE NORTH 89 DEGREES 46 MINUTES 51 SECONDS EAST ALONG SAID SOUTH LINE OF ROOSEVELT ROAD A DISTANCE OF 144.14 FEET TO A POINT ON THE WEST LINE A PUBLIC ALLEYWAY; THENCE SOUTH 00 DEGREES 07 MINUTES 46 SECONDS EAST ALONG SAID WEST LINE OF PUBLIC ALLEYWAY A DISTANCE OF 36.11 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 52 MINUTES 15 SECONDS EAST A DISTANCE OF 19.92 FEET TO THE WEST LINE OF LANDS TAKEN FOR ELEVATED RAILROAD; THENCE SOUTH 00 DEGREES 07 MINUTES 46 SECONDS EAST ALONG SAID WEST LINE OF LANDS TAKEN FOR ELEVATED RAILROAD A DISTANCE OF 181.16 FEET; THENCE SOUTH 48 DEGREES 09 MINUTES 45 SECONDS WEST A DISTANCE OF 26.68 FEET TO A POINT ON SAID WEST LINE OF PUBLIC ALLEYWAY; THENCE NORTH 00 DEGREES 07 MINUTES 46 SECONDS WEST ALONG SAID WEST LINE A DISTANCE OF 198.92 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PERMITTED EXCEPTIONS

- C 12. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075641, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES. NOTE: WITH RESPECT TO SAME, NONE ARE DUE AND PAYABLE AT DATE OF POLICY
- G 5. PARTY WALL AGREEMENT MADE BY THOMAS G. VICKERY AND OTHERS WITH MARY NODINE DATED JULY 20, 1891 AND RECORDED OCTOBER 30, 1891 AS DOCUMENT 1560727 FOR A PARTY WALL BETWEEN LOTS 2 AND 3 AND PART OF LOT 4 IN ASSESSOR'S SUBDIVISION OF NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. (AFFECTS PARCEL 4)
- V 7. RIGHTS OF THE PUBLIC AND OF THE CITY OF CHICAGO IN AND TO THE EAST 10 FEET OF THE LAND TAKEN AND USED AS AN ALLEY BY ORDINANCE PASSED BY THE COMMON COUNCIL OF THE CITY OF CHICAGO AND APPROVED ON AUGUST 22, 1865 (AFFECTS PARCELS 1 AND 2)

EXHIBIT G

00760046

1222 South Wabash and 1229 South State

PARCEL 1:

LOTS 2 AND 3 (EXCEPT THE EAST 10 FEET AND EXCEPT THE WEST 27 FEET OF SAID LOTS) IN THE WEST 1/2 OF BLOCK 4 IN SRAMAN'S SUB OF BLOCK 5 OF THE WEST 1/2 OF BLOCK 4 & THE WEST 148 FEET OF BLOCK 6 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOT 4 (EXCEPT THE NORTH 51 1/2 FEET THEREOF) AND THE NORTH 25 FEET OF LOT 5 IN THE ASSESSORS DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST HALF OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTH WEST FRACTIONAL QUARTER OF SECT 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS., (EXCEPTING FROM SAID PREMISES THAT PART THEREOF CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY) IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 25 FEET OF LOT 5 (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S SUBDIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 OF ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 6 AND 7 (EXCEPT THE WEST 25 FEET OF EACH OF SAID LOTS) IN ASSESSOR'S DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 IN ASSESSORS DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 5:

LOT 7 (EXCEPT WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

EXHIBIT G

00760946

1222 South Wabash and 1229 South State

PERMITTED EXCEPTIONS

General Real Estate Taxes for 1999 and subsequent years

14. RIGHTS OF THE CHICAGO RAPID TRANSIT COMPANY IN AND TO RIGHT OF WAY OVER WEST PART OF ELEVATED RAILCARS OF THE LAND CONDEMNED FOR RIGHT OF WAY ON A PETITION OF THE CHICAGO SOUTH SIDE RAPID TRANSIT COMPANY FILED SEPTEMBER 19, 1988 IN CIRCUIT COURT OF COOK COUNTY, ILLINOIS AS CASE 68621

(AFFECTS PARCEL 5)

15. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES.

NOTE: NO TAX CONTEMPLATED BY SUCH ORDINANCE(S) HAS BEEN IMPOSED, ASSESSED OR LEVIED AS OF DECEMBER 27, 1999

17. RIGHTS OF THE PUBLIC IN AND TO THE PLATFORM AREA LOCATED WEST OF THE CTA LINE AND ONTO THE EAST LINE OF THE PROPERTY IN QUESTION AS DEPICTED ON SURVEY MADE BY WEBSTER, MC GRATH & AHLBERG DATED FEBRUARY 12, 1999 AND LAST UPDATED 11-9-99 AS ORDER NUMBER 37988

AFFECTS PARCEL 1

EXHIBIT G

00760046

1230 South Wabash

LOTS 1, 2 AND 3 (EXCEPT THE WEST 25 FEET OF SAID PREMISES TAKEN FOR ELEVATED RAILROAD) IN THE ASSESSORS DIVISION OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTHWEST FRACTIONAL 1/4 SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PERMITTED EXCEPTIONS

General Real Estate Taxes for 1999 and subsequent years.

- A 7. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES. NOTE: NO TAX CONTEMPLATED BY SUCH ORDINANCE(S) HAS BEEN IMPOSED, ASSESSED OR LEVIED AS OF DECEMBER 1, 1999.

EXHIBIT G

00760046

1234 South Wabash

THE NORTH 51.5 FEET OF LOT 4 (EXCEPT THE WEST 25 FEET OF SAID PREMISES TAKEN FOR ELEVATED RAILROAD) IN THE ASSESSORS DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PERMITTED EXCEPTIONS

- 5 7. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES.

NOTE:NOTE: NO TAX CONTEMPLATED BY SUCH ORDINANCE(S) HAS BEEN IMPOSED, ASSESSED OR LEVIED AS OF DECEMBER 21, 1999

General Real Estate Taxes for 1999 and subsequent years

EXHIBIT G

1240-1260 South Wabash

00760046

PARCEL 1:

LOTS 2 AND 3 (EXCEPT THE EAST 10 FEET AND EXCEPT THE WEST 27 FEET OF SAID LOTS) IN THE WEST 1/2 OF BLOCK 4 IN SEAMAN'S SUB OF BLOCK 5 OF THE WEST 1/2 OF BLOCK 4 & THE WEST 148 FEET OF BLOCK 6 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOT 4 (EXCEPT THE NORTH 51 1/2 FEET THEREOF) AND THE NORTH 25 FEET OF LOT 5 IN THE ASSESSORS DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST HALF OF BLOCK 4 IN THE ASSESSORS DIVISION OF THE NORTH WEST FRACTIONAL QUARTER OF SECT 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS., (EXCEPTING FROM SAID PREMISES THAT PART THEREOF CONVEYED TO THE CHICAGO AND SOUTH SIDE RAPID TRANSIT RAILROAD COMPANY) IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 25 FEET OF LOT 5 (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S SUBDIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 OF ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 6 AND 7 (EXCEPT THE WEST 25 FEET OF EACH OF SAID LOTS) IN ASSESSOR'S DIVISION (EXCEPT THE NORTH 7 FEET) OF THE EAST 1/2 OF BLOCK 4 IN ASSESSORS DIVISION OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 5:

LOT 7 (EXCEPT WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST 1/2 OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST 1/2 OF BLOCK 4 IN THE ASSESSOR'S DIVISION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

EXHIBIT G

1240-1260 South Wabash

00760046

PERMITTED EXCEPTIONS

- AC 15. RIGHTS OF THE CHICAGO RAPID TRANSIT COMPANY IN AND TO RIGHT OF WAY OVER WEST PART OF ELEVATED RAILCARS OF THE LAND CONDEMNED FOR RIGHT OF WAY ON A PETITION OF THE CHICAGO SOUTH SIDE RAPID TRANSIT COMPANY FILED SEPTEMBER 19, 1888 IN CIRCUIT COURT OF COOK COUNTY, ILLINOIS AS CASE 68621 (AFFECTS PARCEL 5)
- AR 16. EASEMENT FOR ALLEY PURPOSES OVER THAT PART OF THE LAND AND THE PLOTTED ALLEY ADJOINING TO THE WEST TAKEN FOR ELEVATED RAILROAD RIGHT OF WAY AS REFERRED TO IN THE CONVEYANCE FROM JOSEPHINE DEXTER AND OTHERS TO THE <C&S.S.R.T.R.R. COMPANY RECORDED JANUARY 20, 1892 AS DOCUMENT 1600192, AND AS DISCLOSED BY O.I.R.PP (AFFECTS PARCEL 5)
- Ø 17. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES.
- NOTE: NO TAX CONTEMPLATED BY SUCH ORDINANCE(S) HAS BEEN IMPOSED, ASSESSED OR LEVIED AS OF DECEMBER 21, 1999
- AC 21. RIGHTS OF THE PUBLIC IN AND TO THE PLATFORM AREA LOCATED WEST OF THE CTA LINE AND ONTO THE EAST LINE OF THE PROPERTY IN QUESTION AS DEPICTED ON SURVEY MADE BY WEBSTER, MC GRATH & AHLBERG DATED FEBRUARY 12, 1999 AND LAST UPDATED 11-9-99 AS ORDER NUMBER 37988
- AFFECTS PARCEL 1

General Real Estate Taxes for 1999 and subsequent years

EXHIBIT G

00760046

Chicago Transit Authority - leasehold parcel

THAT PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:  
COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF ROOSEVELT ROAD WITH THE EAST LINE OF STATE STREET; THENCE NORTH 89 DEGREES 46 MINUTES 51 SECONDS EAST ALONG SAID SOUTH LINE OF ROOSEVELT ROAD A DISTANCE OF 144.14 FEET TO A POINT ON THE WEST LINE OF A PUBLIC ALLEYWAY; THENCE SOUTH 00 DEGREES 07 MINUTES 46 SECONDS EAST ALONG SAID WEST LINE OF PUBLIC ALLEYWAY A DISTANCE OF 36.11 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 52 MINUTES 14 SECONDS EAST A DISTANCE OF 50.00 FEET TO A POINT ON THE EAST LINE OF LANDS TAKEN FOR ELEVATED RAILROAD; THENCE SOUTH 00 DEGREES 04 MINUTES 34 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 11.00 FEET; THENCE SOUTH 88 DEGREES 12 MINUTES 46 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 2.02 FEET; THENCE SOUTH 00 DEGREES 03 MINUTES 14 SECONDS EAST ALONG SAID LINE A DISTANCE OF 74.50 FEET; THENCE SOUTH 89 DEGREES 34 MINUTES 55 SECONDS WEST ALONG SAID EAST LINE A DISTANCE OF 6.99 FEET; THENCE SOUTH 00 DEGREES 07 MINUTES 46 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 73.28 FEET; THENCE NORTH 48 DEGREES 09 MINUTES 45 SECONDS WEST A DISTANCE OF 60.17 FEET TO A POINT ON SAID WEST LINE OF PUBLIC ALLEYWAY; THENCE NORTH 00 DEGREES 07 MINUTES 46 SECONDS WEST ALONG SAID WEST LINE A DISTANCE OF 198.91 FEET TO THE POINT OF BEGINNING, EXCEPT THAT PART FALLING WITHIN THE ALLEY, IN COOK COUNTY, ILLINOIS.

PERMITTED EXCEPTIONS

- R 4. THE LAND LIES WITHIN THE BOUNDARIES OF A SPECIAL SERVICE AREA AS DISCLOSED BY ORDINANCE RECORDED AS DOCUMENT 91075841, AND IS SUBJECT TO ADDITIONAL TAXES UNDER THE TERMS OF SAID ORDINANCE AND SUBSEQUENT RELATED ORDINANCES.
- AB 5. NOTWITHSTANDING THE INSURING PROVISIONS OR ANY OTHER PROVISION CONTAINED HEREIN, THE COMPANY DOES NOT INSURE AGAINST LOSS OR DAMAGE CAUSED BY A LACK OF A RIGHT OF ACCESS TO AND FROM THE LAND.
- AC 14. EASEMENT AND RIGHT OF WAY OVER THAT PART OF THE LAND USED FOR ELEVATED RAILROAD RIGHT OF WAY AND APPURTENANCES THERETO.
- U 15. TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS OF THE REDEVELOPMENT AGREEMENT RECORDED AS 91574409 AND THEREAFTER AMENDED BY FIRST AMENDMENT TO CENTRAL STATION REDEVELOPMENT AGREEMENT, A COPY OF WHICH WAS RECORDED DECEMBER 23, 1994 AS DOCUMENT 04071129



## EXHIBIT H1

### PROJECT BUDGET

Land Acquisition (not including acquisition of employee parking)	\$7,626,090*
Employee parking acquisition	1,155,000
Demolition	660,000*
Construction	5,400,000*
Environmental	186,000*
Site Preparation	1,000,000*
Landscaping	200,000*
Off-Site	265,000
Architectural and Engineering	280,000
Fixtures and Equipment	3,200,000
Construction Supervision	156,000
Legal/Consultants	54,000
Permits and Fees	100,000
Contingency	73,000
Total Project Budget	<hr/> \$20,355,090

\* Aggregate Construction and Acquisition Costs

## EXHIBIT H2

### MBE/WBE BUDGET

The MBE/WBE budget shall consist of the Project Budget set forth in Exhibit H1 herein (\$20,355,090), less the Land Acquisition cost (\$8,781,090), resulting in a total MBE/WBE budget of \$11,574,000.



July 19, 2000

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

RE: Development of certain Real Property located between Roosevelt Road, State Street, 13th Street and South Wabash Avenue, Chicago, Illinois by American Stores Properties, Inc

Ladies and Gentlemen:

In the undersigned's capacity as Vice President of Real Estate Law, for Albertson's, Inc., the ultimate corporate parent of American Stores, Properties, Inc, a Delaware corporation (the "Developer"), the undersigned has acted as counsel for Developer and has been requested to deliver an opinion with respect to the authorization, execution and delivery by delivery of the "Agreement" (hereinafter defined) entered into in connection with the development of certain land and the construction of certain facilities thereon located in the Near South Redevelopment Project Area (the "Project") by Developer.

In connection with this opinion, I have examined the following:

- (a) Near South Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City"),
- (b) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project; and
- (c) such other documents, records and legal matters as I have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, I have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to me 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 my opinion that

1. The Developer has full right, power and authority to execute and deliver the Agreement and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's Articles of Incorporation or By-Laws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of my knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in its interest in the Project pursuant to the provisions of any of the foregoing.

2. The execution and delivery of the Agreement and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer

3. American Food and Drug, Inc is the sole shareholder of Developer. American Food & Drug, Inc is ultimately wholly owned by Albertson's, Inc. There are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

4. To the best of my knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property which if determined adversely to Developer would have a material adverse effect on the ability of Developer to perform its obligations under the Agreement, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of any knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the ability of the Developer to perform its obligations under the Agreement.

5. To the best of my knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the Developer or its properties is bound which would have a material adverse effect on the ability of Developer to perform its obligations under the Agreement

6 To the best of my knowledge after diligent inquiry, the interest of the Developer in the Project is free and clear of mortgages, liens, pledges, security interests and encumbrances

7 The execution, delivery and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority

8. To the best of my knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certifies or public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business at the Project

We express no opinions as to matters of title with respect to real and personal property described in the Document

The opinions set forth herein are limited to the laws of the United States of America and the General Corporation Law of the State of Delaware, and the undersigned expresses no opinion with respect to the laws of any other state or jurisdiction

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person

Very truly yours,

A handwritten signature in black ink, appearing to read "William Arnold", is written over a horizontal line.

By William Arnold  
Vice President, Real Estate Law

# EXHIBIT J

## BURKE, WARREN, MACKAY & SERRITELLA, P.C.

22ND FLOOR IBM PLAZA  
330 NORTH WABASH AVENUE  
CHICAGO, ILLINOIS 60611-3607  
TELEPHONE (312) 840-7000  
FACSIMILE (312) 840-7900

www.burkelaw.com

July 19, 2000

City of Chicago,  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

RE: Development of certain Real Property located between Roosevelt Road, State Street, 13th Street and South Wabash Avenue, Chicago, Illinois by American Stores Properties, Inc.

Ladies and Gentlemen:

We have acted as special real estate counsel to American Stores Properties, Inc., a Delaware corporation (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Near South Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the Near South Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

In addition to the Agreement, we have examined the (a) original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, and (ii) a certificate of good standing in the State of Illinois, and (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed

Based on the foregoing and subject to the qualification, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has full power and authority to own and lease the Project and to perform its obligations as contemplated by the Agreement and is in good standing and duly qualified to do business as a foreign corporation under the laws of the State of Illinois

3. The Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

# BURKE, WARREN, MACKAY & SERRITELLA, P.C.

4 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 Agreement and apply the law of the State of Illinois to the transactions evidenced thereby

The opinion expressed are expressly made subject to and are qualified by the following:

- (a) We have assumed that the Agreement was duly authorized by the City of Chicago (the "City") and all proper actions by the City, and constitute the valid and legally binding obligations of Chicago to the extent of its obligations thereunder.
- (b) We have assumed that the performance by the City of the actions required or contemplated under the Agreement are within the powers of the City and are in compliance with all laws and regulations to which the City is subject.
- (c) We have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of all documents submitted to us as originals, and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies
- (d) The availability of the remedy of specific performance or any injunctive relief or of any other equitable relief is subject to the discretion of the court (whether at law or in equity) before which any proceedings therefor may be brought
- (e) General equitable principals, whether considered in a proceeding in equity or at law, including, without limitation: (i) concepts of materiality, reasonableness, good faith and fair dealing; (ii) a requirement of mitigation of damages; (iii) the appointment of receivers; and (iv) the limitation of specific enforcement of agreements.
- (f) Other applicable state or federal laws, court decisions and constitutional requirements may limit or render unenforceable certain of the City's rights and remedies under the Agreement; provided, however, that the same will not, in our opinion, materially interfere with or adversely affect the practical realization of the benefits and remedies conferred upon the City under the Documents
- (g) The provisions of applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally.
- (h) Notwithstanding anything set forth herein, we have not reviewed and do not opine as to: (i) compliance by the Project with applicable zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules or regulations, (ii) ERISA laws, rules and regulations, (iii) Federal or state taxation, banking or securities laws, rules or regulations.

# BURKE, WARREN, MACKAY & SERRITELLA, P.C.

- (i) We express no opinion as to any provision in the Agreement which imposes indemnity liability on Developer for the acts or omissions of an indemnified party
- (j) No opinion is expressed with respect to matters of title to the Project or the priority of the Agreement
- (k) As to the legal existence of Developer, we have relied upon a certificate of the Secretary of the State of Delaware.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person

Very truly yours,

BURKE, WARREN, MacKAY & SERRITELLA, P C

By   
Name: Michael J. Martin  
Shareholder

EXHIBIT L1

*Draft*

REQUISITION FORM for ELIGIBLE CONSTRUCTION COSTS

State of Illinois )  
 ) SS  
COUNTY OF COOK )

The affiant, \_\_\_\_\_, \_\_\_\_\_ of American Stores Properties, Inc., a Delaware corporation (the "Developer"), being duly sworn on oath, deposes and says that the Developer owns or is the lessee of the Property as defined in that certain Redevelopment Agreement between the Developer and the City of Chicago dated \_\_\_\_\_, 20\_\_ (the "Agreement") and that:

A. A true and complete statement of all Eligible Construction Costs incurred by the Developer to date is:

[describe Eligible Construction Costs incurred] \$ \_\_\_\_\_  
Total \$ \_\_\_\_\_

B. A true and complete statement of all Eligible Construction Costs that have been reimbursed directly to Developer by the City to date is:

\$ \_\_\_\_\_

C. The total retainage of Eligible Construction Costs (pursuant to Section 4.03(c) of the Agreement) that has been set aside by the City to date is:

\$ \_\_\_\_\_

D The sum of the amounts shown in paragraph B and C above is:

\$ \_\_\_\_\_

E. The Total set forth in paragraph A less the amount set forth in paragraph D is:

\$ \_\_\_\_\_



F. The amount shown in paragraph E, less 15% (as retainage to be withheld by the City pursuant to Section 4.03(c) of the Agreement) is:

\$ \_\_\_\_\_

G. The Developer hereby requests reimbursement for the full amount shown in paragraph F above and states that none of that amount has been previously reimbursed by the City.

H. Attached are the following documents:

1. the Project Budget.
2. Receipts for all subcontractors' work involving the any or all of the portion of Eligible Construction Costs reimbursement requested in paragraph G above.
3. Lien waivers for all subcontractors' work involving the any or all of the portion of Eligible Construction Costs reimbursement requested in paragraph G above.
4. a report for the year ended \_\_\_\_\_, 20\_\_ detailing compliance with Section 10.03 of the Agreement.
- 5 [other documents]

I. The Developer hereby certifies to the City that, as of the date hereof:

1. The work described in paragraph A has been completed.
2. The work described in paragraph A has been paid for by the Developer or an Affiliate.
3. Except as described below, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained therein.

[describe exceptions here] \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. The Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens.
5. No Event of Default exists, and no condition or event exists which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

AMERICAN STORES PROPERTIES, INC., a Delaware corporation

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

City of Chicago

Department of Planning and Development

EXHIBIT L2

REQUISITION FORM for PRIVATE ACQUISITION COSTS

State of Illinois )
) SS
COUNTY OF COOK )

The affiant, \_\_\_\_\_ of American Stores Properties, Inc., a Delaware corporation (the "Developer"), being duly sworn on oath, deposes and says that the Developer owns or is the lessee of the Property as defined in that certain Redevelopment Agreement between the Developer and the City of Chicago dated \_\_\_\_\_, 20\_\_ (the "Agreement") and that:

A. A true and complete statement of all Private Acquisition Costs incurred by the Developer to date is:

[describe Private Acquisition Costs incurred] \$ \_\_\_\_\_
Total \$ \_\_\_\_\_

B. A true and complete statement of all Private Acquisition Costs that have been reimbursed directly to Developer by the City to date is:

\$ \_\_\_\_\_

C. The amount of Private Acquisition Costs not yet reimbursed to Developer (the remainder of the amount shown in paragraph A above less the amount shown in paragraph B above) is:

\$ \_\_\_\_\_

D. The Developer hereby requests reimbursement for the full amount shown in paragraph C above and states that none of that amount has been previously reimbursed by the City.

E The Developer understands that the amount paid by the City to Developer at this time pursuant to paragraph D above may be limited by the provisions of the Agreement and therefore may be less than the amount requested in paragraph D above.

F. Attached are the following documents:

1. Receipts for all Private Acquisition Costs not already in the possession of the City, if any.
2. [other documents]

G. The Developer hereby certifies to the City that, as of the date hereof, except as described below, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained therein.

[describe exceptions here] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

AMERICAN STORES PROPERTIES, INC., a Delaware corporation

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_.

\_\_\_\_\_  
My commission expires. \_\_\_\_\_

Agreed and accepted:

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_  
City of Chicago  
Department of Planning and Development

EXHIBIT M

00545849

**JEWEL OSCO / CITY OF CHICAGO  
PUBLIC BENEFITS PROGRAMS**

Having been located in the City of Chicago for 100 years, Jewel Osco has actively supported programs throughout the City and in many instances has established its own public benefits programs.

Jewel Osco has actively and enthusiastically served every community of which we are a part. For this particular store, Jewel Osco will:

1. Expand its high school mentoring program to include Dunbar and Jones commercial High Schools. This will be accomplished by actively recruiting and hiring students from these high schools, thus enabling them to become eligible for the Jewel Osco Scholarship Awards Program. Scholarships are awarded to Jewel Osco employees who are attending a 4-year or 2-year college. Award criteria are: 1) Jewel job performance, 2) Community involvement, 3) Academic achievement at school, and 4) School involvement and leadership. In addition, winners of these scholarships can become full-time paid Interns as a prelude to a formal Management Training Program at Jewel Osco.

As a Jewel Osco Intern, these young people would learn a variety of management, inventory control and marketing skills necessary for success at Jewel Osco. Mentoring of these young people during their internship by store and support staff management is a key component of the internship program, giving interns the benefit of the experience of key management personnel in our business, people who have been where these young people are now.

2. Jewel Osco will continue to provide various health and nutritional informational programs. At various times of the year, typically in the spring, diabetes education and in-store screening with the opportunity to consult with a pharmacy expert will be offered. In addition, typically in early summer, a health fair to include blood pressure screening is available. In the late summer, a diabetes alert would be repeated, again allowing the opportunity to consult with a pharmacy expert. In late summer or early fall, flu shots are offered to the community.

## EXHIBIT N

### EMPLOYMENT OPPORTUNITIES REQUIREMENTS

Developer must provide an estimate of projected employment during the Project and, after completion, in the Facility as a continuing operation; a breakdown of those positions by jobs title, task, and income; and a hiring strategy for City of Chicago residents in conjunction with the Chicago Hiring Ordinance as well as for community-based residents, defined as a resident living within the general boundaries of the Near South TIF District at the time of his/her employment. Developer shall specifically set forth numerical estimates as to how many jobs are expected to be filled by community residents, and how many community residents are expected to be positively affected by training and/or mentoring commitments.

The proposal must feature a community-based hiring and training plan which concretely and comprehensively describes measures to ensure maximum reasonable opportunities for both (a) immediate employment and (b) longer-term job-training for residents of the Near South TIF District, 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 Hilliard/Ickes Homes, residents of other public and subsidized housing, and people with disabilities. Such measures may include, but are not limited to, the following

- a. Employment opportunities with the prime and/or any subcontractor(s) for services and/or supplies with respect to the Project,
- b. Employment opportunities with the prime and/or any subcontractors with respect to any other project which the Developer is or expects to be performing in the Chicago metropolitan area;
- c. Employment opportunities with any purchaser, supplier, or other organization, entity or person with which the Developer has a business relationship;
- d. Employment training opportunities on the site and/or on any other site with which the Developer is or expects to be playing a role in the Chicago metropolitan area;
- e. Other employment training opportunities, such as commitment of resources to a school-to-work program or other demonstration and/or hands-on training at the school(s) attended by the predominant share of residents of the Near South TIF District area;
- f. Consultation with community members as to possible small business development;
- g. Opportunities on the part of Near South TIF District area residents to participate in mentoring efforts as well as other aspects of the Project.

Developer is strongly encouraged to propose other creative measures, in addition to and not instead of, the examples set forth above, toward the goal of increasing employment and training opportunities for the area residents described above. Most favorable consideration will be given to proposals that set forth a community-based hiring and training plan that is detailed, well-thought-out, and provides for a broad mix of strategies for maximizing employment and training.



## **EXHIBIT O**

### **JOB READINESS PROGRAM (JRP)**

The JRP is a program developed by the City of Chicago that trains Chicago residents that live in the communities within and surrounding Tax Increment Financing (TIF) districts to be qualified, "job ready" candidates for entry level jobs in TIF districts. TIF district incremental tax revenues allocated for job training expenses are used to fund the JRP. The JRP is jointly managed by the Department of Planning and Development ("DPD") and the Mayor's Office of Workforce Development ("MOWD").

The JRP involves the participation of TIF district employers, DPD, MOWD, delegate agencies and third party service providers. The existing and future employers in TIF districts that participate are those that offer entry level employment positions. The delegate agencies and third party service providers that participate are those that provide direct services such as job readiness training or recruiting services. DPD and MOWD coordinate the participation of all parties.

The JRP is implemented through a process that involves the participating employer:

- (1) providing a description of its business/industry, a "job ready" candidate for entry level jobs in its business, and the type of entry level positions it will need;
- (2) providing a projection of the number of those positions it expects to fill every six months;
- (3) participating in the selection of a job readiness trainer by selecting an agency from a list proposed by the City (with the City maintaining final contracting authority), including the proposal of suitable agencies to be included on the City's list, with the City maintaining final approval authority over which agencies are on the list;
- (4) retaining the right to halt participation in the JRP due to the agency's failure to present candidates satisfying the its hiring requirements, until the agency makes the changes necessary to meet those requirements or a new agency is selected by the employer from the City's list,
- (5) developing a working relationship with the job readiness trainer and recruiting organization,
- (6) if the employer so desires, it can provide names of individuals to be enrolled in the JRP to DPD and MOWD, with such individuals to be assessed by DPD and/or MOWD and, if determined to qualify, to be enrolled in the JRP;
- (7) providing written feedback to DPD and MOWD every six months on the quality of JRP candidates interviewed by the employer in order to improve the JRP, which shall include the number of positions available, the number of JRP candidates interviewed and the number of JRP candidates hired for entry level non-technical and non-managerial positions, and the employment status of hired JRP

DPD, MOWD and any delegate agency or third party service provider (and not the employer) are responsible for recruiting Chicago residents that qualify to participate in the JRP. Chicago residents that live in communities within and surrounding the TIF district are then trained through the JRP to meet the employer's needs within that TIF district. Provided that the employer has been presented

With JRP candidates during the interviewing time frame defined by the employer, the employer then interviews and makes hiring decisions about those candidates first, before other "off-the-street" applicants (non-JRP candidates) are interviewed or hired. The employer will interview a JRP graduate prior to making a final hiring decision about a position for at least 75% of the non-technical and non-managerial entry level positions that become open during any six month period. The participating employer(s) shall have the right to exercise its sole discretion in choosing or not choosing particular JRP candidates as it makes decisions on hiring and retention. It is anticipated that, under the JRP (as administered by the agency or entity selected as described above), all JRP graduates will receive at least two years of follow-up support services from the selected agency or entity as described above to enable them to maintain their employment and to assist them in securing advanced employment opportunities in the future and in developing a career plan.

**EXHIBIT P**

**CITY DEEDS**

# QUITCLAIM DEED

(The Above Space For Recorder's Use Only)

**CITY OF CHICAGO**, an Illinois municipal corporation, for the consideration of One Dollar, conveys and quitclaims to **AMERICAN STORES PROPERTIES, INC.**, a Delaware corporation ("Grantee"), with offices at 1955 West North Avenue, Melrose Park, Illinois 60160, all interest in the real property legally described and identified on Exhibit A attached hereto, pursuant to an ordinance adopted by the City Council of the City of Chicago on June 7, 2000. Grantee's interest is subject to recapture pursuant to the provisions of Sections 7.03(d) and 15.02(b) of the Near South Redevelopment Agreement entered into by Grantor and Grantee dated the date hereof and recorded contemporaneously herewith in the office of the Recorder of Deeds of Cook County, Illinois.

**IN WITNESS WHEREOF**, Grantor has caused this instrument to be duly executed in its name and behalf and its seal to be hereunto affixed, by its Mayor and City Clerk, on the 19<sup>th</sup> day of July, 2000.

**ATTEST:**

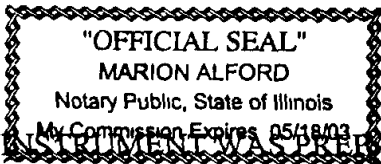
**CITY OF CHICAGO**,  
an Illinois municipal corporation

James J. Laski  
JAMES J. LASKI, City Clerk

By: Richard M. Daley  
RICHARD M. DALEY, Mayor

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

Given under my hand and official seal, this 19 day of July, 2000



Marion Alford  
Notary Public

THIS INSTRUMENT WAS PREPARED BY:

Jory Wishnoff  
30 North LaSalle Street, Suite 1610  
Chicago, Illinois 60602  
(312) 744-6910

BURKE WARREN, McKay + SERRITELLA, P.C  
ATTN: MICHAEL MARTIN  
330 NORTH WABASH AVE. 22ND FLOOR  
CHICAGO, IL 60611-3607

MAIL DEED:

TAX BILLS TO:

40 ALBERTSON'S  
250 PARK CENTER BLVD.  
BOISE ID. 83708  
ATTN: REAL ESTATE  
TAX DEPT.

EXEMPT PURSUANT TO THE PROVISIONS OF THE REAL ESTATE TRANSFER TAX ACT, 35 ILCS 200/31-45 (B); COOK COUNTY ORDINANCE NO 93-0-27 (B), AND SECTION 3-3 2-030B7(b) OF THE CHICAGO TRANSACTION TAX ORDINANCE

## EXHIBIT A

### PARCEL 1:

THE WEST ½ OF BLOCK 3 IN ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD MERIDIAN IN COOK COUNTY, ILLINOIS (EXCEPTING FROM SAID PARCEL THAT PART DESCRIBED AS FOLLOWS: THAT PART FALLING WITHIN 12<sup>TH</sup> STREET (ALSO KNOWN AS ROOSEVELT ROAD)).

### PARCEL 2:

LOT 1 IN SEAMAN'S SUBDIVISION OF BLOCK 5 OF THE WEST ½ OF BLOCK 4 AND THE WEST 148 FEET OF BLOCK 6 OF ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 3:

LOT 2 (EXCEPT THE WEST 30 FEET THEREOF AND EXCEPT THAT PART CONDEMNED FOR WIDENING 12<sup>TH</sup> STREET) IN ASSESSOR'S DIVISION OF THE EAST ½ OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST ½ OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

LOT 3 (EXCEPT THAT PART THEREOF FALLING IN ALLEY AND EXCEPT THAT PART THEREOF FALLING IN THE RIGHT OF WAY OF THE CHICAGO TRANSIT AUTHORITY) IN ASSESSOR'S DIVISION OF THE EAST ½ OF BLOCK 3 WITH THE NORTH 7 FEET OF THE EAST ½ OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 4:

LOTS 4 AND 5 (EXCEPT THE WEST 32 FEET THEREOF) AND LOT 6 (EXCEPT THE WEST 25 FEET THEREOF) IN ASSESSOR'S DIVISION OF THE EAST ½ OF BLOCK 3 AND THE NORTH 7 FEET OF THE EAST ½ OF BLOCK 4 IN ASSESSOR'S DIVISION OF PART OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESSES: 1201-27 South State Street  
1200-20 South Wabash Avenue  
Chicago, Illinois 60605

PROPERTY INDEX NUMBERS: 17-22-100-010 through -014  
17-22-100-034 through -035

\*

[C:\WINDOWS\DESKTOP\AMERICAN WPD\JW]

**EXHIBIT Q**

**PAYMENT AND PERFORMANCE BONDS**

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgements, 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 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 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 judgement 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 obligation, 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, or 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 as 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 the claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no place 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 of any 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.

Approved \_\_\_\_\_, 199\_\_ (Seal)

\_\_\_\_\_ (Seal)

\_\_\_\_\_ (Seal)

Purchasing Agent

\_\_\_\_\_ (Seal)

Approved as to form and legality \_\_\_\_\_ (Seal)

\_\_\_\_\_ (Seal)

Assistant Corporation Counsel