

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF CHICAGO
AND CHICAGO TRANSIT AUTHORITY**

This Intergovernmental Agreement (the "Agreement") is entered into as of **February 9, 2013** (the "Closing Date") by and between the City of Chicago, a municipal corporation (the "City"), acting through its Department of Housing and Economic Development ("HED"), and the Chicago Transit Authority ("CTA"), an Illinois municipal corporation duly organized and existing under the laws of the State of Illinois.

WHEREAS, the City is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, 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 (the "Act"), to finance projects that eradicate blight conditions and conservation factors that could lead to blight through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, in accordance with the provisions of the Act, and pursuant to three ordinances adopted on November 28, 1990 and published at pages 25969-26047 of the Journal of Proceedings of the City Council (the "Journal") of such date, and which ordinances were amended by ordinances adopted on August 3, 1994, May 12, 1999, March 28, 2001, June 9, 2010 and April 13, 2011, the City Council of the City: (i) approved a certain redevelopment plan and project (the "Amended Plan") for the Near South Redevelopment Project Area (the "Amended Area") within the City (originally called the Central Station Redevelopment Project Area); (ii) designated the Amended Area as a redevelopment project area; and (iii) adopted tax increment allocation financing (the "TIF Adoption Ordinance") for the Amended Area; and

WHEREAS, under the Act and the TIF Adoption Ordinance, certain taxes are allocated and, when collected, are paid to the Treasurer of the City for deposit by the Treasurer into the Near South TIF Fund established to pay redevelopment project costs incurred in the Amended Area, which taxes may be used to pay all or a portion of the costs of construction of public improvements within the Amended Area that are incurred or that are to be incurred in furtherance of the objectives of the Amended Plan, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, pursuant to the Amended Plan, certain TIF-funded City programs and redevelopment agreements have been established by the City Council of the City as of the Closing Date, which programs and agreements pledge portions of the Near South TIF Fund (collectively, the "Prior Obligations"); and

WHEREAS, the CTA proposes to undertake the rehabilitation of its Harrison rapid transit station (the "Project") on the Red Line, which is located within the Amended Area, and which is described in more detail in Exhibit A, incorporated and attached hereto; and

WHEREAS, the City and the CTA have agreed that the City will pay not more than \$10,000,000 toward the Project from Available Incremental Taxes (as defined below) or from any other source of funds available to and selected by the City ("City Funds"); and

WHEREAS, the Project is the type of public improvement that is contemplated by the Amended Plan, and therefore the costs incurred for the Project ("Project Costs") qualify as "Redevelopment Project Costs" under the Amended Plan, as defined in Section 5/11-74.4-3(q) of the Act; and

WHEREAS, the City and the CTA wish to enter into this Agreement; and

WHEREAS, the City and the CTA have authority to enter into this Agreement pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., and

WHEREAS, on December 12, 2012, the City Council adopted an ordinance (the "Authorizing Ordinance") authorizing the execution of this Agreement; and

WHEREAS, on October 11, 2012, the Chicago Transit Board passed an ordinance (the "CTA Ordinance") authorizing the execution of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. RECITALS

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

SECTION 2. [intentionally omitted]

SECTION 3. THE PROJECT

(a) The parties acknowledge that the Project shall begin in 2012 and shall be completed not later than December 31, 2014.

(b) The CTA shall provide the City any plans and specifications pertaining to the Project that the City may reasonably request from time to time during the Term of this Agreement, and shall notify HED of any significant changes to said plans.

(c) The CTA hereby certifies that the Project has to date and shall continue to comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders as may be in effect at the time of the Project's completion.

(d) The CTA hereby certifies to the City that the City Funds shall be sufficient to complete the Project.

SECTION 4. FINANCING

(a) City Funds shall be used to pay the CTA for its incurred costs of TIF-Eligible Improvements, contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such costs. "TIF-Eligible Improvements" means those improvements of the Project which (i) qualify as Redevelopment Project Costs as defined in the Act, (ii) are eligible costs under the Amended Plan, and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. The City agrees that Exhibit A hereto

represents certain TIF-Eligible Improvements for the Project and sets forth, by approximate line item amounts, the minimum amount of TIF-Eligible Improvements the CTA plans for the Project. The CTA may implement changes to the Project that cause variations in the line item amounts shown on Exhibit A, provided that all the changes qualify as TIF-Eligible Improvements.

(b) Subject to the terms and conditions of this Agreement, the City shall pay to the CTA an amount not to exceed \$10,000,000 in City Funds from Available Incremental Taxes to pay the Project Costs. If the actual Project Costs total less than \$10,000,000, then the maximum the City shall be liable for under this Agreement is 100% of those Project Costs that constitute TIF-Eligible Improvements. If the actual Project Costs exceed \$10,000,000, then the CTA shall be solely responsible for such excess costs.

(c) "Available Incremental Taxes" means such 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 Near South TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, and which are not encumbered or pledged for the payment of Prior Obligations.

(d) The City warrants that it has available and has segregated on the books of the City an amount of City Funds sufficient to pay the Project Costs, and covenants that the City Funds will not be used for any purpose other than the Project Costs during the Term of this Agreement.

(e) The City Funds being provided hereunder are being granted on a conditional basis, subject to the CTA's compliance with the provisions of this Agreement.

SECTION 5. PAYMENT of CITY FUNDS

(a) The CTA shall prepare and provide to HED, on a quarterly basis, in advance, the estimated amounts of City Funds that will be required to pay the costs of the Project during the next succeeding ninety (90) days ("Request for Payment"). Requests for Payment shall consist solely of likely expenditures that qualify as TIF-Eligible Improvements, such as design and planning fees and rehabilitation construction costs. Within thirty (30) days following receipt of a quarterly estimate and Request for Payment, HED shall process the Request for Payment and remit payment of City Funds to the CTA, which payment shall consist of the estimated amounts required for payment of the qualified costs of the Project during the next succeeding ninety (90) day period as such amounts may be adjusted from time to time by mutual agreement of the parties. In the event that City Funds have not been paid to the CTA within thirty (30) days following the receipt of such Request for Payment, the CTA shall have the right to suspend its performance under this Agreement until payment is received.

(b) The CTA will deposit such funds in a segregated sub-account it controls and will use such funds to pay TIF-Eligible Improvements costs of the Project from time to time. The CTA shall provide the City with a cash flow analysis of the segregated sub-account for the Project upon request.

(c) Any balance remaining in the segregated sub-account 90 days after the date of final completion of the Project shall be promptly repaid to the City upon demand of HED.

(d) Once per quarter, the CTA shall submit documentation to HED substantiating its

applicable incurrence and payment, during the prior 90 days, of Redevelopment Project Costs (including TIF-Eligible Improvements). In addition to the items expressly set forth therein, such documentation shall constitute a certification to the City that:

- (i) the costs represent the actual amount already incurred by the CTA for its own work or incurred by the CTA by its general contractor(s), subcontractors or other parties who have performed work on or otherwise provided goods or services in connection with the Project for the CTA;
- (ii) the CTA has approved all work and materials for the Project reflected in the report; and
- (iii) the work was performed in accordance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders at the time of its completion.

HED shall review each report for, among other things, evidence that the CTA incurred and paid TIF-Eligible Expenditures in an amount that equals or exceeds the amount of City Funds that had been pre-paid to the CTA prior to that time, and HED shall inform the CTA of any questions or comments about same as soon as practicable.

SECTION 6. TERM

The term of this Agreement ("Term") shall commence on the Closing Date and shall expire on December 31, 2014 or on the date of termination of this Agreement according to its terms, whichever occurs first.

SECTION 7. ENVIRONMENTAL MATTERS; SAFETY; INSPECTION

(a) The City makes no covenant, representation or warranty as to the environmental condition of the Project or the suitability of the Project for any public rapid transit use whatsoever.

(b) The CTA shall be solely responsible for the safety and protection of the public in connection with the Project.

(c) The City reserves the right to inspect the Project from time to time as it is being undertaken or after its completion.

SECTION 8. INSURANCE

(a) The CTA is self-insured. During the term of this Agreement, the CTA shall provide and maintain, at the CTA's own expense, or cause to be provided, insurance or self-insurance equivalent to the coverages and requirements specified below concerning all operations related to this Agreement.

(b) Workers Compensation and Employers Liability. Workers Compensation 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.

(c) Commercial General Liability (Primary and Umbrella). Commercial General Liability Insurance or equivalent self-insurance 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, explosion, collapse, underground, separation of insureds, defense, and contractual liability. The City of Chicago will be considered an additional insured on a primary, non-contributory basis for any liability arising directly from the work. For those contracts already let or for work already performed prior to the Closing Date, the CTA shall recognize the City of Chicago as an additional insured on a primary, non-contributory basis for any liability arising directly from such work.

(d) Automobile Liability (Primary and Umbrella). When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the CTA shall provide self-insured Automobile Liability coverage with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage.

(e) Professional Liability. When any architects, engineers or professional consultants engaged by the CTA perform work in connection with this Agreement, the CTA shall provide self-insured Professional Liability covering acts, errors, or omissions with limits of not less than \$1,000,000.

(f) Prior to the Closing Date, the CTA will furnish the City a letter of self insurance evidencing the required coverage to be in force on the Closing Date. After the Closing Date, the CTA will furnish the City similar evidence if the coverages change from self-insurance to purchased insurance during the term of this Agreement and prior to the completion of the Project. The receipt of any self-insurance does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the self-insurance is in compliance with all Agreement requirements.

(g) Non-conforming self-insurance shall not relieve the CTA of the obligation to provide or cause to be provided insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to stop the CTA's work until proper evidence of insurance is provided, or this Agreement may be terminated.

(h) The required general liability self-insurance shall provide for sixty (60) days prior written notice to be given to the City or the CTA in the event coverage is substantially changed, canceled, or non-renewed. The CTA shall promptly notify the City in the event the CTA receives any such notice.

(i) Any and all self-insured retentions on referenced insurance coverages shall be borne by the CTA and its contractors.

(j) The CTA shall waive its rights of subrogation against the City, its employees, elected officials, agents, or representatives.

(k) The CTA expressly understands and agrees that any coverage and limits furnished by the CTA shall in no way limit the CTA's liabilities and responsibilities specified by this Agreement or by law.

(l) The CTA expressly understands and agrees that any insurance or self insurance programs maintained by the City shall not contribute with insurance provided by the CTA under this Agreement.

(m) The required self-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.

(n) The CTA shall require all contractors for the Project to provide the insurance required herein or the CTA may provide the coverages for contractors. All contractors shall be subject to the same insurance requirements as is the CTA unless otherwise specified herein. In all contracts relating to the Project that are let after the Closing Date, the CTA agrees to require the contractor to name the City as an additional insured on insurance coverages as provided above and to require the contractor to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the Project by the contractor or contractor's suppliers, employees, or agents.

SECTION 9. EMPLOYMENT OBLIGATIONS

9.01 Employment Opportunity. CTA, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its general contractors, subcontractors or any Affiliate of the CTA operating in connection with the Project (collectively, with CTA, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to CTA and during the period of any other party's provision of services to CTA in connection with the construction of the Project, to the extent not in conflict with CTA's procurement requirements or applicable federal and state law:

(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 ("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) As required by 49 U.S.C. 5332 (which prohibits discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business

opportunity), by Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d, and by U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act," 49 CFR part 21 at 21.7, the Employer ensures that it will comply with all requirements imposed by or issued pursuant to 49 U.S.C. 5332, 42 U.S.C. 2000d, and 49 CFR part 21, so that no person in the United States, on the basis of race, color, national origin, creed, sex, or age will be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in any program or activity (particularly in the level and quality of transportation services and transportation-related benefits) for which the Employer receives Federal assistance awarded by the U.S. DOT or FTA.

(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., 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 undertaking any portion of the Project, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

9.02 Construction Worker Hours. The CTA may have affirmative action requirements or goals for the Project that impose construction worker hours participation by utilization of minorities and women, respectively. The CTA shall comply, and shall cause its general contractors to comply, therewith.

9.03 [intentionally omitted.]

9.04 CTA's DBE Commitment. The CTA agrees for itself and its successors and assigns, that because the construction of the Project involves use of federal funds as part of CTA's contribution, CTA will comply with the U.S. Department of Transportation regulations set forth at 49 CFR Part 26, as it pertains to the participation of Disadvantaged Business Enterprises in federally funded contracts. CTA's obligation to comply with said regulations pertain to all work performed under this Project.

SECTION 10. INDEMNIFICATION

Except for the City's own negligence or wrongful acts, the CTA shall release, indemnify and hold harmless, to the maximum extent permitted by law, the City and its officials, employees and agents (the "City Indemnitees") from and against any and all claims, suits, liabilities, losses and damages, including court costs and attorneys' fees and expenses incidental thereto, of whatever nature, arising out of or in connection with the CTA's construction of the Project, and any failure of performance or negligent or wrongful performance by the CTA, or any contractor or subcontractor for the CTA, and their respective officers, agents or employees, in connection with the Project, including, but not limited to, claims for damage to

property, and/or injury to or death of any person or persons.

SECTION 11. NOTICES

(a) All notices and demands by the CTA to the City shall be in writing and shall be delivered personally or sent by United States mail or reputable overnight or same day courier service, postage prepaid, addressed to the City as specified below, or to such other address as the City may from time to time designate by notice to the CTA hereunder:

To the City: City of Chicago
Department of Housing and Economic Development
Attention: Commissioner
City Hall, Room 1000
121 N. LaSalle Street
Chicago, Illinois 60602
(312) 744-9476
(312) 744-2271 (Fax)

With copies to: City of Chicago
Department of Law
Attention: Finance and Economic Development Division
City Hall, Room 600
121 N. LaSalle Street
Chicago, Illinois 60602
(312) 744-0200
(312) 744-8538 (Fax)

(b) All notices and demands by the City to the CTA shall be in writing and shall be delivered personally or sent by United States mail or reputable overnight or same day courier service, postage prepaid, addressed to the CTA as specified below, or to such other address as the CTA may from time to time designate by notice to the City hereunder:

To the CTA: President
Chicago Transit Authority
567 W. Lake Street
Chicago, IL 60661
(312) 681-5000
(312) 681-5005 (Fax)

With copies to: General Counsel
Chicago Transit Authority
567 W. Lake Street
Chicago, IL 60661
(312) 681-2900

SECTION 12. GENERAL PROVISIONS

(a) This Agreement constitutes the entire understanding of the parties with respect to the Project and the payment of the City Funds, and no representations or promises have been

made that are not fully set forth herein. The parties understand and agree that no modification of this Agreement shall be binding unless duly accepted and executed by both parties in writing.

(b) This Agreement will be governed in all respects in accordance with the laws of the State of Illinois. A court located in Chicago, Illinois, will hear any disputes which arise hereunder.

(c) Any headings of this Agreement are for convenience of reference only and do not define or limit the provisions of this Agreement. Words of any gender will be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document will be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms hereof and thereof. All references to any person or entity will be deemed to include any person or entity succeeding to the rights, duties, and obligations of such person or entity in accordance with the terms of this Agreement.

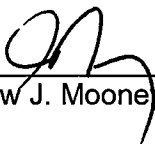
(d) The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

(e) This Agreement may be executed in one or more counterparts, and all such counterparts will constitute one and the same Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement, through their duly authorized representatives, as of the date set forth at the beginning of this Agreement.

CITY OF CHICAGO, a municipal corporation, through its
Department of Housing and Economic Development



Andrew J. Mooney, Commissioner

CHICAGO TRANSIT AUTHORITY, a municipal corporation

Terry Peterson, Chairman

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, through their duly authorized representatives, as of the date set forth at the beginning of this Agreement.

CITY OF CHICAGO, a municipal corporation, through its
Department of Housing and Economic Development

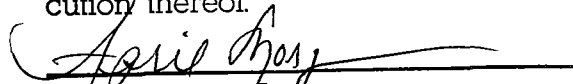
Andrew J. Mooney, Commissioner

CHICAGO TRANSIT AUTHORITY, a municipal corporation



Terry Peterson, Chairman

Approved as to form and legality,
for the sole benefit of CTA. Subject
to proper authorization and exe-
cution thereof.



Agrie May
Attorney

Exhibit A

Project Description and Budget

[see attached]

PROJECT DESCRIPTION

Harrison Comprehensive Renewal Scope Outline

The CTA will receive \$10,000,000 of Tax Increment Financing (TIF) District funds for improvements at its Harrison Station on the Red Line. The work will primarily consist of repair and renewal efforts.

Improvements will include:

- Repairs to the entrance railings and stairs.
- Repairs to the stairways from street to mezzanine and from mezzanine to platform, including new handrails.
- Patching, grinding, and sealing of the mezzanine and platform floors.
- Platform ceiling and train tubes will be patched, grouted, and painted.
- Repairs to the customer assistant kiosk.
- Replacement of the existing lighting throughout the station, and additional lighting will be added in the tube.
- The mezzanine and platform area will be painted.
- Installation of sound attenuation panels.
- Repairs to water-damaged areas.
- Waterproofing the entire station.

Exhibit B

[intentionally omitted]

By: _____
Name
Title: _____

Subscribed and sworn before me this ____ day of _____, _____

My commission expires: _____

Agreed and accepted:

City of Chicago, by and through its Department of Housing and Economic Development

Andrew J. Mooney, Commissioner

Date: _____

Exhibit D

Prior CTA Expenditures

None.